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with the
International Organisation Research Institute
at the National Research University Higher School of Economics, Moscow

present

2012 Los Cabos G20 Summit Final Compliance Report

20 June 2012 to 30 July 2013

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Preface

Since the G20's 2008 Washington Summit, the G20 Research Group at the University of Toronto and the International Organisations Research Institute of National Research University Higher School of Economics (IORI HSE) in Moscow have produced reports on the G20's progress in implementing the priority commitments issued at each summit. These reports monitor each country's efforts on a carefully chosen selection of the many commitments announced at each summit. The reports 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 G20 more transparent, accessible and effective, and to provide scientific data to enable the meaningful analysis of the impact of this important informal international institution. Previous reports are available at the G20 Information Centre at www.g20.utoronto.ca/analysis.

The G20 Research Group is an independent scholarly group that grew out of the G8 Research Group, which has been following the work of the G20 finance ministers and central bank governors since they began meeting in 1999. Founded as a separate entity in 2008, the G20 Research Group is an international network of scholars, professionals and students with a mission to serve as the leading independent source of information and analysis on the G20. It is responsible for the G20 Information Centre, which publishes, free of charge, research on the G20 and the official documents issued by the G20. The G20 Research Group in Toronto has been working with a team at IORI HSE since IORI HSE initiated this G20 compliance research in 2009, after the G20 leaders met at Washington for the first time in November 2008. The initial report, covering only one commitment made at the Washington Summit, tested the compliance methodology developed by the G8 Research Group and adapted it to the G20.

This report assesses performance by G20 members with the commitments made at the 2012 Los Cabos Summit, held on 18-19 June 2012 in Mexico over the period of 20 June 2012 to 30 July 2013. It covers 17 priority commitments selected from the 180 commitments made by the G20 members at Los Cabos.

To make its assessments, the G20 Research Group relies on publicly available information, documentation and media reports. To ensure accuracy, comprehensiveness and integrity, we encourage comments. Indeed, scores can be recalibrated if new material becomes available. All feedback remains anonymous. Responsibility for this report's contents lies exclusively with the authors and analysts of the G20 Research Group and its partners at IORI HSE.

The work of the G20 Research Group would not be possible without the steadfast dedication of many people around the world. This report is the product of a team of energetic, hard-working analysts led by Ava-Dayna Sefa, chair of the 2012-13 student executive, and their compliance team leaders Alexandre De Palma, Vera V. Gavrilova and Krystel Montpetit. It would also not be possible without the support of Dr. Ella Kokotsis, director of compliance, and Caroline Bracht, senior researcher with the G20 Research Group. We are especially indebted to our HSE colleagues: Professor Marina Larionova, Mark Rakhmangulov, Andrey Shelepov and Andrei Sakharov.

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Introduction and Summary

The G20 2012 Los Cabos Final Compliance Report, prepared by the G20 Research Group at the University of Toronto and the International Organisations Research Institute of the National Research University Higher School of Economics (IORI HSE), analyzes compliance by G20 members with a selection of 17 priority commitments out of a total of 180 commitments made at the Los Cabos Summit on 18-19 June 2012. The report covers the compliance-relevant actions taken by the G20 members during the period from 20 June 2012 to 30 July 2013. This timeframe allows for an assessment of compliance for the period from the 2012 Los Cabos Summit up to the eve of the 2013 St. Petersburg Summit.

Methodology and Scoring System

This report draws on the methodology developed by the G8 Research Group, which has been monitoring G8 compliance since 1996. The use of this existing methodology builds cross-institutional and cross-member consistency and also allows compatibility with compliance assessments produced by the G8 Research Group.

The methodology uses a scale from -1 to +1, where +1 indicates full compliance with the stated commitment, -1 indicates a failure to comply or action taken that is directly opposite to the stated goal of the commitment, and 0 indicates partial compliance or work in progress, such as initiatives that have been launched but are not yet near completion and whose results can therefore not be assessed. Each member assessed receives a score of -1, 0 or +1 for each commitment. For convenience, the scores in the tables have been converted to percentages, where -1 equals 0% and +1 equals 100%.¹

Commitment Breakdown

The G20 made a total of 180 commitments at the Los Cabos Summit.² These commitments, as identified by the G20 Research Group and HSE, are drawn from the official Los Cabos Growth and Jobs Action Plan, Policy Commitments by G20 Members, and the Los Cabos Final Communiqué. They cover 14 issue areas ranging from finance to international cooperation. Most commitments fall in the realms of economics: 66 commitments (37%), deal with macroeconomics; 18 commitments (10%) focus on finance; another 18 commitments (10%) address labour and unemployment; and 10 commitments (6%) cover trade.

Selection of Commitments

Although G20 members made a total of 180 commitments at the Los Cabos Summit, the G20 Research Group has undertaken to assess compliance of all members for 17 priority commitments. For each compliance cycle (that is, the period between summits), the research team selects commitments that reflect the breadth of the G20 agenda and also reflect the priority of the summit's hosts, while balancing the selection to allow for comparison with past and future summits, following the methodology developed by the G8 Research Group.³ The selection also

¹ The formula to convert a score into a percentage is $P=50 \times (S+1)$, where P is the percentage and S is the score.

² A commitment is defined as a discrete, specific, publicly expressed, collectively agreed statement of intent; a promise by summit members that they will undertake future action to move toward, meet or adjust to an identified target. More details are contained in the G8 Commitment/Compliance Coding and Reference Manual (available at <http://www.g8.utoronto.ca/evaluations/index.html#manual>).

³ Guidelines for choosing priority commitments, as well as other applicable considerations, are available in the G8 Commitment/Compliance Coding and Reference Manual.

replicates the breakdown of issue areas and the proportion of commitments in each one. Primary criteria for priority commitment selection considers the comprehensiveness and relevance to the summit, the G20 and the world, as well as individual and collective pledges. Selected commitments must also meet secondary criteria of performance measurability and ability to commit within a year, as well as tertiary criteria of significance as identified by scientific teams and relevant stakeholders in the host country.

For the 2012 G20 Los Cabos Final Compliance Report, the 17 priority commitments listed in Table 1 were selected from the 180 commitments made at the Los Cabos Summit.

The Final Compliance Scores

The assessment is based on relevant, publicly available information relating to action taken from 19 June 2012 to 30 July 2013. The final compliance scores by commitment are contained in Table 2. Country rankings are listed in Table 3 and commitment rankings are listed in Table 4.

For the period from 19 June 2012 to 30 July 2013, G20 members achieved an average final compliance score of +0.56, which translates to 78.5% on the percentage scale. This final compliance score surpasses the Final Compliance Score from the 2011 G20 Cannes Summit Final Compliance Report on the priority commitments assessed from the Summit held in November 2011.

For comparative purposes, the final scores for compliance with commitments made at previous G20 summits are included in Table 5.

Compliance by Member

For compliance with the Los Cabos Summit's priority commitments, Australia is in first place with a score of +0.94, which translates to 97%. Next in second place come the United Kingdom and the United States, each with a score of +0.81 (90.5%). In third place are the European Union and Canada with a score of +0.75 (87.5%). Russia, the country which holds the G20 Presidency for 2013, is tied for fifth place with Korea with a score of +0.62 (81%). The lowest scoring members are Argentina with a score of +0.31 (66%), Turkey with a score of +0.25 (63%) and Italy in last place with a score of +0.19 (59.5%). For more detailed information about compliance by G20 members, see Table 3.

The Compliance Gap Between Members

The difference between the highest and lowest G20 member compliance scores is +0.75.

G20 members that are also members of the G8 achieved an average compliance score of +0.63 (81.6%), whereas non-G8 members achieved a score of +0.52 (76%). This difference of 0.11 points is much lower than Cannes (0.25 points) and has significantly decreased since 2009 as the compliance performance of non-G8 members has increased. The gap in compliance between G8 and non-G8 members has been narrowing steadily, if slowly until Cannes: 0.46 for the Toronto Summit in June 2010, 0.52 for the Pittsburgh Summit in September 2009 and 0.53 for the London summit in April 2009. However, the performance during this compliance cycle signals a quickening pace of the shrinking gap of compliance between G8 and non-G8 countries.

The average of +0.51 (75%) for Los Cabos for the BRICS members of Brazil, Russia, India, China and South Africa, is lower than that of the G8 and equal to the average of G20 non-G8 members. It is equivalent to the BRICS score from the Cannes Summit and signals a continued strength of BRICS member compliance.

Compliance by Commitment

This particular compliance cycle produced a high level of compliance for a few different issue areas. The highest scoring commitment focused on combating unemployment, which achieved a perfect compliance score of +1 — the first time the G20 has achieved a perfect compliance score in any issue area. The commitment on enhancing the business environment for investors follows in second place with a score of +0.95 (98%), while the infrastructure development commitment comes in third place with +0.85 (93%). The lowest scores were on the commitments on trade with a score of +0.25 (63%), systemically important financial institutions (SIFIs) with a score of +0.15 (58%), and crime and corruption with an overall score of -0.10 (45%). In the macroeconomic policy area, advanced economies' compliance performance is substantially lower than the emerging and developing markets' performance on enhancing the resilience of their economies. For more information on scoring by commitment, see Table 4.

It is important to note that a failing compliance score does not necessarily imply an unwillingness to comply on the part of G20 members. Particularly in the case of the crime and corruption commitment, policy action can take multiple compliance cycles to implement and measure. As the G20 Research Group continues to monitor developments in this issue area, progress made by members will be recorded in future compliance reports.

Table 1: 2012 Los Cabos Summit Selected Priority Commitments

Priority Area	Commitment
Macro economy	<i>Exchange Rates</i> [29]: We reaffirm our commitment to move more rapidly toward market-determined exchange rate systems and exchange rate flexibility to reflect underlying fundamentals, avoid persistent exchange rate misalignments, and refrain from competitive devaluation of currencies.
	<i>Fiscal Consolidation</i> [18]: Advanced economies will ensure that the pace of fiscal consolidation is appropriate to support the recovery, taking country-specific circumstances into account and, in line with the Toronto commitments, address concerns about medium term fiscal sustainability.
	<i>Emerging Market Growth</i> [177]: Emerging market members will also promote a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.
Trade	<i>Trade</i> [48]: Following up our commitment made in Cannes, we reaffirm our standstill commitment until the end of 2014 with regard to measures affecting trade and investment, and our pledge to roll back any new protectionist measure that may have arisen, including new export restrictions and WTO inconsistent measures to stimulate exports.
Accountability	<i>Crime and Corruption (UNCAC)</i> [98]: We reiterate our commitment to the ratification and full implementation of the United Nations Convention against Corruption (UNCAC), and to more active engagement with the OECD working group on bribery on a voluntary basis
Finance	<i>FSB Reform (Basel component)</i> [64]: [In particular, we recognize the substantial progress to date in the priority reform areas identified by the FSB's Coordination Framework for Implementation Monitoring (CFIM): the Basel capital and liquidity framework; the framework for global systemically important financial institutions (GSIFIs), resolution regimes, over-the-counter (OTC) derivatives reforms, shadow banking, and compensation practices.] We commit to complete work in these important areas to achieve full implementation of reforms.
	<i>OTC Derivatives</i> [65]: We reaffirm our commitment that all standardized OTC

	<p>derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012, OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.</p> <p><i>SIFIs</i>: [68] We reiterate our commitment to strengthen the intensity and effectiveness of the supervision of SIFIs (financial regulation)</p>
Food and Agriculture	<i>Food and Agriculture</i> [77]: [We recognize the need to adapt agriculture to climate change and we recognize the importance of improving the efficiency of water and soil use in a sustainable manner. To this end,] we support the development of and a greater use of available technologies, well-known practices and techniques such as soil fertility enhancement, minimum tillage and agroforestry
Climate Change	<i>Climate Change</i> [91]: We reiterate our commitment to fight climate change and welcome the outcome of the 17th Conference of the Parties to the UN climate change conferences
Energy	<i>Fossil Fuel Subsidies</i> [96]: We reaffirm our commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term while providing targeted support for the poorest.
Socioeconomic	<p><i>Socioeconomic Opportunities for Women</i> [41]: We commit to take concrete actions to overcome the barriers hindering women's full economic and social participation and to expand economic opportunities for women in G20 economies</p> <p><i>Combating Unemployment</i> [35]: We therefore endorse the recommendations of our Labor and Employment Ministers to urgently combat unemployment through appropriate labor market measures and fostering the creation of decent work and quality jobs, particularly for youth and other vulnerable groups, who have been severely hit by the economic crisis.</p>
Investment	<i>Business Environment for Investors</i> [47] Recognizing the importance of investment for boosting economic growth, we commit to maintaining a supportive business environment for investors.
Development	<p><i>Infrastructure Investment</i> [6]: Recognizing the impact of the continuing crisis on developing countries, particularly low income countries, we will intensify our efforts to create a more conducive environment for development, including supporting infrastructure investment.</p> <p><i>Social Protection Floors</i> [40]: We will continue to foster inter-agency and international policy coherence, coordination, cooperation and knowledge sharing to assist low-income countries in capacity building for implementing nationally determined social protection floors.</p> <p><i>Inclusive Green Growth</i> [88]: We commit to continue to help developing countries sustain and strengthen their development through appropriate measures, including those that encourage inclusive green growth</p>

Note: Number in square brackets refers to the list of total commitments available on the G20 Information Centre website at <http://www.g20.utoronto.ca/analysis>.

Table 2: 2012 Los Cabos Final Compliance Scores

Commitment	ARG	AUS	BRA	CAN	CHI	FRA	GER	IND	INDO	ITA	JPN	KOR	MEX	RUS	S.AR	S.AF	TUR	UK	US	EU	AVG
1 Exchange Rates	-1	1	-1	1	0	1	1	0	1	1	-1	0	1	1	0	1	0	1	1	1	0.45
2 Fiscal Consolidation	n/a	1	n/a	1	n/a	-1	1	n/a	n/a	-1	1	1	n/a	n/a	n/a	n/a	n/a	1	0	1	0.50
3 Emerging Market Growth	0	n/a	1	n/a	1	n/a	n/a	1	1	n/a	n/a	n/a	1	1	1	1	0	n/a	n/a	n/a	0.80
4 Trade	-1	1	-1	1	0	1	1	-1	0	0	0	1	1	-1	0	-1	0	1	1	1	0.25
5 Crime and Corruption	0	0	0	0	0	0	-1	0	0	0	-1	0	0	0	0	0	0	0	0	0	-0.10
6 Basel Capital and Liquidity	1	1	0	1	1	1	1	1	0	1	1	0	1	1	1	1	0	1	1	1	0.80
7 OTC Derivatives	1	1	1	0	0	0	0	1	n/a	0	1	0	0	1	1	0	0	0	1	0	0.42
8 SIFIs	-1	1	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	0	0.15
9 Sustainable Agriculture	1	1	1	1	-1	1	0	0	1	0	-1	-1	0	1	0	1	0	1	1	0	0.35
10 Climate Change	1	1	1	1	1	1	1	1	-1	0	1	1	1	1	-1	1	0	1	1	1	0.70
11 Fossil Fuel Subsidies	0	1	1	0	1	1	0	1	0	0	0	1	1	1	n/a	1	0	1	0	1	0.58
12 Opportunities for Women	1	1	1	1	-1	1	0	0	0	0	0	1	1	1	1	1	-1	1	1	1	0.55
13 Combating Unemployment	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1.00
14 Investment	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	1	1	1	0.95
15 Infrastructure	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	1	0.85
16 Social Protection Floors	0	1	1	1	0	1	1	0	1	0	1	1	0	1	1	0	1	1	1	1	0.70
17 Green Growth	1	1	1	1	1	1	1	1	1	0	1	1	1	0	0	0	1	1	1	1	0.80
Average	0.31	0.94	0.56	0.75	0.38	0.69	0.56	0.50	0.47	0.19	0.44	0.62	0.69	0.62	0.47	0.50	0.25	0.81	0.81	0.75	0.56

n/a = not applicable

Overall Compliance Score: +0.57 (78.5%)

Table 3: 2012 G20 Los Cabos Summit Final Compliance Rank by Country

Rank	Member	Average Compliance Score	
1	Australia	0.94	97.0%
2	United States	0.81	90.5%
	United Kingdom	0.81	90.5%
3	European Union	0.75	87.5%
	Canada	0.75	87.5%
4	France	0.69	84.4%
	Mexico	0.69	84.4%
5	Korea	0.62	81.0%
	Russia	0.62	81.0%
6	Brazil	0.56	78.0%
	Germany	0.56	78.0%
7	India	0.50	75.0%
	Japan	0.50	75.0%
	South Africa	0.50	75.0%
8	Indonesia	0.47	73.5%
	Saudi Arabia	0.47	73.5%
9	China	0.38	69.0%
10	Argentina	0.31	66.0%
11	Turkey	0.25	62.5%
12	Italy	0.19	59.5%

Table 4: 2012 G20 Los Cabos Summit Final Compliance Rank by Commitment

Rank	Commitment	Average Compliance Score	
1	Combating Unemployment	1.00	100%
2	Investment	0.95	97.5%
3	Infrastructure	0.85	92.5%
4	Basel Capital and Liquidity	0.80	90.0%
	Emerging Market Growth	0.80	90.0%
	Green Growth	0.80	90.0%
5	Climate Change	0.70	85.0%
	Social Protection Floors	0.70	85.0%
6	Fossil Fuel Subsidies	0.58	79.0%
7	Opportunities for Women	0.55	77.5%
8	Fiscal Consolidation	0.50	75.0%
9	Exchange Rates	0.45	72.5%
10	OTC Derivatives	0.42	68.5%
11	Sustainable Agriculture	0.35	67.5%
12	Trade	0.25	62.5%
13	SIFIs	0.15	57.5%
14	Crime and Corruption	-0.10	45.0%

Table 5: G20 Compliance by Member, 2008-2013

Member	Washington	London	Pittsburgh	Toronto	Seoul	Cannes	Los Cabos
Argentina	0	-0.60	-0.13	0.00	-0.08	0.00	0.31
Australia	n/a	0.60	0.50	0.56	0.85	0.67	0.94
Brazil	1.00	0.20	-0.63	0.29	0.42	0.60	0.56
Canada	1.00	0.60	0.63	0.78	0.69	0.73	0.75
China	0	-0.40	0.13	0.38	0.42	0.53	0.38
France	1.00	0.80	0.63	0.56	0.77	0.60	0.69
Germany	1.00	0.80	0.63	0.56	0.54	0.67	0.56
India	0	-0.40	-0.38	-0.29	0.42	0.60	0.50
Indonesia	n/a	-0.40	-0.63	-0.13	0.36	0.14	0.47
Italy	1.00	0	0.13	0.56	0.77	0.80	0.19
Japan	1.00	0.20	0.50	0.56	0.62	0.47	0.50
Korea	n/a	0	0.75	0.56	0.46	0.60	0.63
Mexico	1.00	0	0.25	-0.14	0.58	0.67	0.69
Russia	0	0.40	0.38	0.13	0.59	0.60	0.63
Saudi Arabia	n/a	0.20	-0.13	-0.13	0.08	0.21	0.50
South Africa	1.00	0.40	0.63	-0.14	0.33	0.47	0.47
Turkey	n/a	0.20	-0.25	-0.14	0.17	0.20	0.25
United Kingdom	1.00	1.00	0.50	0.78	0.77	0.87	0.81
United States	0	0.40	1.00	0.33	0.38	0.53	0.81
European Union	1.00	0.60	0.38	0.57	0.82	0.85	0.75
Average	0.67	0.23	0.24	0.28	0.50	0.54	0.57

Considerations and Limitations

Several elements affect the findings contained in this report.

With regard to the commitment on fiscal consolidation, the text holds only the “advanced economies” of the G20 accountable. The G20 has identified those members as Australia, Canada, France, Germany, Italy, Japan, Korea, the United Kingdom, the United States and the European Union. The average for this commitment was therefore calculated based on this group of 10 and not the G20 as a whole. An argument can be made that this commitment does not reflect compliance of the full G20. Nonetheless, all G20 members, regardless of the status of their economy, agreed to this commitment.

To complement the fiscal consolidation commitment’s focus on developed economies, the commitment on emerging market resilience focuses on the accountability of emerging economies. The G20 considers Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, and Turkey to be emerging economies. The case for emerging market resilience is the same for fiscal consolidation: while the argument can be made that assessing compliance for a sub-group of the G20 does not reflect compliance for the G20 as a whole, all G20 members agreed to it.

While the purpose of the report is to monitor compliance with G20 commitments, it is necessary to ensure that the monitoring mechanism is realistic and considers the context within which the commitments are made. With new commitments, more attention must be paid to the initial implementation constraints faced by members. One way to accommodate these constraints is to regard the intent to implement policy measures as an illustration of compliance, or being “on track” towards compliance. This initial leeway should only be granted for new commitments; intent is not a suitable indicator of compliance for medium-term or longstanding commitments. Over

time as commitments become integrated in the G20 compliance mechanism, compliance guidelines should become more stringent (as members become more accustomed to the nature of the issue and the requirements for compliance).

See also Appendix: General Considerations.

Conclusions

G20 compliance performance for the chosen priority commitments, measured as a country average, has improved incrementally from the April 2009 London Summit (61.5%) through the September 2009 Pittsburgh Summit (62%) to the June 2010 Toronto Summit (64%) to the November 2010 Seoul Summit (75%) to the final point of the November 2011 Cannes Summit (77%), which it maintained with the June 2012 Los Cabos Summit (see Table 4). If the G20 can improve its performance on delivering on its promises, it may validate its claim for legitimacy as a global governance institution. Many of the commitments assessed in this report have timelines that extend beyond the 2012 Los Cabos Summit or reflect medium- and long-term priorities. A unique feature of this report is the incorporation of deadlines for commitments monitored over multiple compliance cycles. The convergence of medium- and long-term commitments and those with deadlines in the near future reflects the nature of G20 decisions as a crisis management forum and a global governance steering institution. It also illustrates the multifaceted nature of compliance assessment. As the relationship among short-, medium- and long-term commitments becomes clearer, the compliance landscape for many of these priority commitments may change over the course of future compliance periods.

Future Research and Reports

The information contained in this report provides G20 members and other stakeholders with an indication of their compliance in the period immediately following the Los Cabos Summit. This draft has been produced as an invitation for others to provide additional or more complete information on compliance before the finished final report will be published in near future. Feedback should be sent to g20@utoronto.ca.

Appendix: General Considerations

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

1. Assessments contained in this report apply to commitment-related actions taken by G20 members only since the commitments were declared publicly at the last summit.
2. Compliance has been assessed against a selected set of priority commitments, rather than all commitments contained in the summit documents. The selection is intended to produce a representative subset of the total body of commitments. An ideal set of priority commitments represents proportionally the amount of attention paid to each policy area in summit documents, reflects the relative ambition of summit commitments, and holds as many G20 members to account for compliance as possible.
3. In addition to producing commitments, summits provide value by establishing new principles and norms, creating and highlighting issues and issue areas and altering the traditional discourse used to discuss priorities. Some of the most important decisions reached at summits may be done in private and not encoded in the public record of the summit documents.
4. Some commitments cover several years and thus compliance takes longer than the summit-to-summit timeframe applied in this report. For this reason, full compliance (denoted by a +1 score) might not require that G20 members carry out a given commitment completely, but might instead demand clear, visible progress commensurate with the overall timetable as well as public statements of support of commitment objectives.
5. In some cases, a G20 member might choose not to comply with a particular summit commitment for good reason, for example if global conditions have changed dramatically since the commitment was made or if new knowledge has become available about how a particular problem can best be solved.
6. As each G20 member has its own constitutional, legal and institutional processes for undertaking action at the national level (and in the case of the European Union at the supranational level), each member is free to act according to its own legislative schedule. Of particular importance here is the annual schedule for creating budgets, seeking legislative approval and appropriating funds.
7. Commitments in G20 summit documents might also be included, in whole or in part, in documents released by other international forums, as the decisions of other international organizations or even national statements such as the State of the Union Address in the United States, the Queen's Speech in the United Kingdom and the Speech from the Throne in Canada. Merely repeating a G20 commitment in another forum does not count fully as compliant behaviour.
8. This report assesses G20 members' action in accordance with the text of actual, specific commitments made in G20 summit documents. Because commitments demand that policymakers and regulators act specifically to meet the identified objectives, this report holds policymakers accountable for pushing and passing recommended policies. Furthermore, compliance is assessed against the precise, particular commitment, rather than what might be regarded as a necessary or appropriate action to solve the problem being addressed.
9. As individual members can take different actions to comply with the same commitment, no standardized cross-national evaluative criterion can be universally applied. The interpretive guidelines attempt to provide an equitable method for assessing compliance.

10. Because the evaluative scale used in this compliance report runs from -1 to +1, any score in the positive range represents at least some degree of compliance.

11. These scores represent compliance only with commitments made at the G20 summit and do not indicate whether commitments made elsewhere are complied with to a higher or lower degree than those made at the G20 summit.

12. In some cases, full compliance by all members of the G20 with a commitment is contingent on cooperative behaviour on the part of other actors.

1. Macroeconomic: Exchange Rates

Commitment [#29]

“We affirm our commitment to move more rapidly to enhance exchange rate flexibility to reflect underlying economic fundamentals, avoid persistent exchange rate misalignments and refrain from competitive devaluation of currencies...”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada			+1
China		0	
France			+1
Germany			+1
India		0	
Indonesia			+1
Italy			+1
Japan	-1		
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia		0	
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.45	

Background

At the 2009 Pittsburgh Summit, G20 leaders committed under the G20 Framework for Strong, Sustainable, and Balanced Growth to “undertake monetary policies consistent with price stability in the context of market oriented exchange rates that reflect underlying economic fundamentals.”⁴

At the 2010 Toronto Summit leaders vowed to further enhance exchange rate flexibility, particularly in emerging markets, and declared “Market-oriented exchange rates that reflect underlying economic fundamentals contribute to global economic stability.”⁵

⁴ G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Toronto) 24-25 September 2009. Date of Access: 7 December 2012.

<http://www.g20.utoronto.ca/2009/2009communique0925.html>.

⁵ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Date of Access: 7 December 2012. <http://www.g20.utoronto.ca/2010/to-communique.html>.

At the 2010 Seoul Summit, G20 leaders agreed to the Seoul Action Plan, which promoted a move towards more market-determined exchange rates.⁶ The average compliance score of the exchange rate commitment during the Seoul compliance cycle was 0.25. The commitment had the third lowest rate of compliance of all commitments profiled by the G20 Research Group during the Seoul compliance cycle.⁷

At the 2011 Cannes Summit, leaders agreed that “exchange rate volatility creates a risk to growth and financial stability” and renewed their Seoul Summit commitment to avoid persistent exchange rate misalignments and to refrain from competitive devaluation.⁸

At the 2012 Los Cabos Summit, leaders renewed the commitment from the Cannes Summit, and welcomed the commitment by China to, “allow market forces to play a larger role in determining movements in the Renminbi (RMB), continue to reform its exchange rate regime, and to increase the transparency of its exchange rate policy.”⁹

Commitment Features

This commitment requires G20 members to avoid devaluing their currencies and to allow the value of their currency to be determined by market forces. Countries generally devalue their currencies in order to increase exports and boost growth and domestic employment. The commitment calls for an end to “currency wars” in which countries devalue their currencies and commits G20 members to promoting policies that enhance exchange rate flexibility.

Market-determined exchange rate or a floating exchange rate: An exchange rate that is determined by market forces with minimal government or central bank interference affecting the value of the currency. In a pure float there is no government or central bank intervention at all in the foreign exchange market, leaving the value of the currency subject entirely to market forces.

Devaluation: Reduction in the value of the domestic currency relative to foreign currencies.

Competitive devaluation: The phenomenon wherein countries intervene in the market to aggressively devalue their currencies, often by enacting or introducing policies that exert a strong downward pressure on the currency, usually with the intent of increasing their exports to address a balance of payments deficit or to increase domestic employment.

In an economic downturn, countries often engage in practices intended to stimulate economic growth. A subsidiary effect of some growth-stimulating policies can be the exertion of a downward pressure on the national currency. These policies, if they are not intended to purposely lower the value of the national currency to increase exports, should first and foremost be interpreted as attempts to stimulate growth and not as attempts to competitively devalue the currency. Such circumstances need to be examined thoroughly on a case-by-case basis.

⁶ The G20 Seoul Summit Leaders Declaration, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 7 December 2012. <http://www.g20.utoronto.ca/2010/g20seoul.html>.

⁷ 2010 Seoul G20 Summit Final Compliance Report, G20 Information Centre (Toronto) 6 November 2011. Date of Access: 7 December 2012. <http://www.g20.utoronto.ca/compliance/2010seoul-final/index.html>.

⁸ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, G20 Information Centre (Toronto) 4 November 2011. Date of Access: 7 December 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>

⁹ G20 Leaders Statement: Los Cabos Summit, G20 Information Centre (Toronto) 18-19 June 2012. Date of Access: 7 December 2012. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

Scoring Guidelines

-1	Member does not make progress in moving toward a more market-determined exchange rate AND does not refrain from competitive devaluation of its currency.
0	Member makes progress in moving toward a more market-determined exchange rate OR refrains from competitive devaluation of its currency.
+1	Member makes progress in moving toward a more market-determined exchange rate AND refrains from competitive devaluation of its currency.

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Co-director of Compliance: Krystel Montpetit
Lead Analyst: Nanayaa Appenteng*

Argentina: -1

Argentina has not complied with its commitment of moving toward a market-determined exchange rate and refraining from competitive devaluation of its currency.

Since the 2012 Los Cabos Summit, the Argentine government has continually extended its control on the foreign exchange market and imports, leading to a slow depreciation of its official currency rate and multiple currency rate system, including black market rate and credit and debit purchase rate. Although the Argentine government has attempted to help exporters through slowly depreciating the peso, the tense control on foreign currency, especially U.S. dollar, has resulted in the peso being overvalued in comparison to the market-determined rate.

On 4 January 2013, with official exchange rate of central bank being ARS4.9255 to USD, the black market rate in Buenos Aires reached ARS7.03 to USD.¹⁰ Besides, the spread between the official and black market exchange rates increased from 40 per cent in the beginning of 2013 to over 90 per cent in early May 2013, before returning to 60 per cent as of July 2013.¹¹

Furthermore, since September 2012, the Argentine government has extended its currency control to include a 15 per cent tax on offshore debit and credit card transactions and online purchases. The Argentine government requires banks to provide information about their clients' domestic and offshore credit card and debit card transactions in order to extend foreign exchange controls¹². This tax continues to limit demand for foreign currency and thus exert control on peso exchange rate.

The Argentine government needs to control its foreign currency reserve to pay off debts and imports. Although the peso is not competitively devaluated against other currencies, the exchange rate of the peso has been depreciating at a faster rate than last year. However, the official rate is still significantly higher than the black market rate¹³. Possible solutions are all costly: either by

¹⁰ Argentina Bonds Mixed, Stocks Rise Led by Energy Companies, Wall Street Journal (Buenos Aires) 4 January 2013. Date of Access: 4 January 2013.

<http://online.wsj.com/article/BT-CO-20130104-710440.html>

¹¹ Meanwhile, In Argentina The Black Market Dollar Exchange Has 17,000 Facebook Likes. Business Insider 18 June 2013. Date of Access: 27 June 2013.

<http://www.businessinsider.com/argentina-black-market-dollar-exchange-2013-6>

¹² Argentina Extends Forex Controls. The Wall Street Journal (Buenos Aires) 3 September 2012. Date of Access: 4 January 2013.

<http://online.wsj.com/article/SB10000872396390444301704577629183770220686.html>

¹³ Argentina currency policy creates multi-headed monster. Reuters (Buenos Aires) 12 September 2012. Date of Access: 4 January 2013.

<http://www.reuters.com/article/2012/09/12/us-argentina-economy-idUSBRE88B1GD20120912>

reducing government expenditure or devalue peso to its market-determined rate. Yet Argentine government has shown no sign of any solution.¹⁴

For these reasons, Argentina has been awarded a score of -1 for its failed commitment to move forward to a market-determined exchange rate and refrain from competitive devaluation of its currency.

Analyst: Donghao Rao

Australia: +1

Australia has fully complied with its commitment to move more rapidly toward market-determined exchange rate systems and exchange rate flexibility. Specifically Australia has avoided persistent exchange rate misalignments and refrained from competitive devaluation of currencies.

Although Australia's economic growth over the past year was "below trend"¹⁵ as predicted, the Board reported on 4 June 2013 that the cash rate had remained unchanged at 2.75 per cent since their 7 May 2013 statement. Furthermore, the Board reduced the cash rate by 25 basis points to 2.50 per cent on 7 August 2013. The exchange rate depreciated but still "[remained] high"¹⁶ despite export price declines. At a historical high, the Australian dollar has experienced relatively little change over the past 19 months¹⁷.

On 4 December 2012, Australian Governor Glenn Stevens' Reserve Bank of Australia (RBA) statement recalled a slightly reduced cash rate by 25 basis points to 3 per cent.¹⁸ The Reserve Bank of Australia's November 2012 Monetary Policy report stated that the Australian dollar had "depreciated against the euro"¹⁹ by approximately 5 per cent since August 2012.

A media release on 2 October 2012 released an inflation rate that met its target.²⁰

Australia has thus been awarded a score of +1 for fully complying with its commitments toward market-determined exchange rate systems and exchange rate flexibility.

Analyst: Leah Bae

¹⁴ Argentina's war on US dollars is backfiring on its central bank—to the tune of \$9 billion. QUARTZ 26 June 2013. Date of Access: 27 June 2013.

<http://qz.com/97783/argentinas-war-on-us-dollars-is-backfiring-on-its-central-bank-to-the-tune-of-9-billion/>

¹⁵ Monetary Policy Decision, Reserve Bank of Australia (Sydney) 4 June 2013. Date of Access: June 26, 2013. <http://www.rba.gov.au/media-releases/2013/mr-13-12.html>

¹⁶ Monetary Policy Decision, Reserve Bank of Australia (Sydney) 4 June 2013. Date of Access: June 26, 2013. <http://www.rba.gov.au/media-releases/2013/mr-13-12.html>

¹⁷ Monetary Policy Decision, Reserve Bank of Australia (Sydney) 7 May 2013. Date of Access: June 26, 2013. <http://www.rba.gov.au/media-releases/2013/mr-13-10.html>

¹⁸ Monetary Policy Decision, Reserve Bank of Australia (Sydney) 4 December 2012. Date of Access: 5 January 2013. <http://www.rba.gov.au/media-releases/2012/mr-12-36.html>

¹⁹ International and Foreign Exchange Markets, Reserve Bank of Australia (Sydney) November 2012. Date of Access: 5 January 2013. <http://www.rba.gov.au/publications/smp/2012/nov/html/intl-fx-mkts.html>

²⁰ Monetary Policy Decision, Reserve Bank of Australia (Sydney) 2 October 2012. Date of Access: 5 January 2013. <http://www.rba.gov.au/media-releases/2012/mr-12-30.html>

Brazil: -1

Brazil has not complied with its commitment to move more rapidly to enhance exchange rate flexibility and refrain from competitive devaluation of its currency.

On 29 May 2013, the Brazilian Central Bank raised its target-lending rate by 50 basis points on to 8 per cent and said on 25 July that it will eliminate reserve requirements for short dollar positions held by local banks, two decisions aiming at supporting the local currency.²¹

On 22 November 2012 in a congressional hearing, Brazil Central Bank President Alexandre Tombini stated that a weaker real was supporting Brazilian manufacturers' competitiveness against foreign rivals. Furthermore he recalled that the Central Bank could intervene in the currency market when necessary.²² In a practical way, on 18 December 2012, Central Bank announced that financial institutions were required to collect reserve requirements on short dollar positions above USD3 billion instead of the previous USD1 billion threshold.²³ And on 26 December 2012, the real jumped 1.5 per cent to 2.0491 per USD1 after the Central Bank intervened to stem the currency's drop. To do so, the Central Bank sold USD1.8 billion of currency swaps and committed to lending a maximum of USD2 billion in foreign-exchange credit lines in order to prevent the real from rising beyond two per dollar.²⁴

On 24 October 2012, Brazilian Finance Minister Guido Mantega acknowledged that Brazil was actively implementing policies to control the level of its exchange rate to curb foreign inflows and protect its industry's export markets. "For us the ideal is a floating currency, without manipulation, (...) but if the whole world is going to manipulate their exchange rates, we will too." Mr Mantega said. "Our system is a dirty float, like everyone's,"²⁵ he added.

On 10 October 2012, Finance Minister Guido Mantega reacted to the third round of quantitative easing pursued by the Fed explaining that the real was well placed to resist the American stimulus. More specifically he advocated taxes on financial transactions measures such as the Tax in Financial Operations (IOF) and the country's record-low interest rates as "lines of defense" erected by the Brazilian government. Commenting the possibility of dollars inflows he said, "I don't think that a lot will enter, because the Brazilian economy is protected, defended, with

²¹ Brazilian Real Rises for Fourth Day as Capital Controls Removed, Bloomberg (New York) 26 June 2013. Date of Access: 27 June 2013. <http://www.bloomberg.com/news/2013-06-26/brazilian-real-rises-for-fourth-day-as-capital-controls-removed.html>

²² Mantega Says Brazil's Real Still Not at 'Satisfactory' Level Bloomberg (New York) 23 November 2012. Date of Access: 28 December 2012. <http://www.bloomberg.com/news/2012-11-23/mantega-says-brazil-s-real-still-not-at-satisfactory-level-2-.html>

²³ Brazil Real Gains as Hamilton Says Depreciation Stokes Inflation, Bloomberg (New York) 20 December 2012. Date of Access: 29 December 2012. <http://www.bloomberg.com/news/2012-12-20/brazil-swap-rates-fall-on-slower-inflation-outlook-real-rises.html>

²⁴ Brazil Real Rises Most Among World Currencies on Intervention, Bloomberg (New York) 26 December 2012. Date of Access: 3 January 2012. <http://www.bloomberg.com/news/2012-12-26/brazil-real-rises-most-among-world-s-currencies-on-intervention.html>

²⁵ Brazil admits tight hold over exchange rate, Financial Times (New York) 24 October 2012. Date of Access: 21 December 2012. <http://www.ft.com/cms/s/0/3185f656-1dfa-11e2-8e1d-00144feabdc0.html#axzz2HYqrvaSW>

measures such as the IOF.”²⁶ Thus he highlighted the legal barriers to a free currency market in Brazil.

On 4 July 2012, Brazilian Finance Minister Guido Mantega suggested the option of competitive devaluation at a conference of industrial leaders declaring, “I don’t think anyone is complaining about our exchange rate policy and I don’t see why we shouldn’t devalue our currency if our competitors do the same.” Mr. Mantega’s comments followed Brazilian Central Bank Director Aldo Mendes’ statement on 3 July 2012 in which he said that the government could devalue the real to support the Brazilian industry.²⁷

Brazil failed to fulfill its commitment to move toward a more market-determined currency and refrain from devaluation of its currency. Thus Brazil has been awarded a score of -1.

Analyst: Alain Sebban

Canada: +1

Canada has fully complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

On 15 February 2013, Canadian Finance Minister Jim Flaherty reiterated countries’ commitment to the G20 commitment on market-determined exchange rates and stressed concerns over currency wars. Flaherty stated, “We must send a signal by being unequivocal and united in our support for market-determined exchange rates and our opposition to protectionism.”²⁸

On 12 February 2013, Canadian Central bank Governor Mark Carney said, “If we were to try to control the level of our exchange rate, we would have to start to close what is one of the most open and effective capital markets, money markets, in the world, in order to be successful.”²⁹

Thus Canada has been awarded a score of +1 for fully compliance with the commitment to move toward a more market-determined exchange rate and to refraining from competitive devaluation of its currency.

Analyst: Nanayaa Appenteng

China: 0

China has partially complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency. In the past two years, China has implemented a series of reforms in the financial market. However since the Los Cabos

²⁶Brazilian Real Protected Against Fed Policy, Mantega Says, Bloomberg (New York) 10 October 2012. Date of Access: 20 December 2012.

<http://www.bloomberg.com/news/2012-10-10/brazil-s-real-guarded-against-u-s-monetary-policy-mantega-says.html>

²⁷Brazil Real Weakens on Expectations of Exchange-Rate Targeting, The Wall Street Journal (New York) 4 July 2012. Date of Access: 20 December 2012.

<http://online.wsj.com/article/SB10001424052702303962304577507403659991334.html>

²⁸ Growth Possible With Fiscal Discipline-Canada. Reuters. 15 February 2013. Date of Access: 15 February 2013. <http://www.reuters.com/article/2013/02/15/g20-canada-idUSL5N0BFB2E20130215>

²⁹ Canada joins G7 tough pledge against currency wars. Financial Post. 12 February 2013. Date of Access: 14 February 2013. <http://business.financialpost.com/2013/02/12/canada-joins-g7s-tough-pledge-against-currency-war/>

Summit in June 2012, the Chinese government has yet to take further actions in its fiscal market reforms.

At the onset of his 10-year-term, President Xi Jinping announced that he will maintain a prudent monetary policy and a proactive fiscal policy in 2013. The president proposed to carry out further reforms and to increase flexibility of the renminbi as part of China's long-term policy. In addition, China is seeking to increase the use of the renminbi in international trade and finance³⁰.

On 3 June 2013, the People's Bank Governor Zhou Xiaochuan stated that China will not competitively depreciate its currency and that it is a good time to promote interest rate reform.³¹

On 17 April 2013, the People's Bank Deputy Governor Gang Yi stated that the time had come to widen the trading ban of the renminbi again. On the following day, the People's Bank made a statement that "conditions were ripe to further open up China's capital account"³². The Central Bank let the renminbi appreciate by 2.36 basis points between April 12 to 17, setting record highs.

On 22 March 2013, China signed a currency swap agreement with Australia for RMB200billion or AUD30billion. This is regarded as a step towards boosting the renminbi's international profile³³.

On 8 January 2013, the renminbi climbed to a 19-year high. The renminbi advanced to 6.2255 per USD according to the China Foreign Exchange Trade System. Since the end of the Los Cabos Summit when the renminbi was valued around 6.3557, the renminbi has appreciated by 0.1302³⁴.

On 28 December 2012, the People's Bank of China announced that it will allow companies located in the special economic zone of Shenzhen to borrow renminbi from banks in Hong Kong. The cross-border renminbi loan will increase the use of the currency in the international market.³⁵

On 21 December 2012, China announced that it will increase the movement of the exchange rate appropriately to handle the latest round of measures by the global central banks. Furthermore

³⁰ China Plans Making Yuan More Flexible After Global Easing, Bloomberg, 21 December 2012, Date of Access: 13 January 2013. <http://www.bloomberg.com/news/2012-12-20/china-plans-yuan-flexibility-after-global-easing-xinhua-says.html>

³¹ China Will Not Competitively Depreciate Yuan, PBOC's Zhou Says, Financial Market News, 3 June 2013, <https://mninews.marketnews.com/index.php/china-will-not-competitively-depreciate-yuan-pbocs-zhou-says?q=content/china-will-not-competitively-depreciate-yuan-pbocs-zhou-says>

³² Analysis: Chinese strong talk on yuan reform masks policy quandary, Reuter, 26 April 2013, Date of Access: 28 June 2013 <http://www.reuters.com/article/2013/04/26/us-markets-china-yuan-idUSBRE93P19120130426>

³³ China signs \$31bn currency exchange deal with Australia, BBC, 22 March 2013, Date of Access: 28 June 2013 <http://www.bbc.co.uk/news/business-17471095>

³⁴ Yuan Rises Toward 19-Year High on Optimism Reforms to Draw Funds, Bloomberg, 8 Jan 2013, Date of Access: 13 January 2013. <http://www.bloomberg.com/news/2013-01-08/yuan-rises-toward-19-year-high-on-optimism-reforms-to-draw-funds.html>

³⁵ China approves cross-border yuan loans in pilot zone near Hong Kong, Reuter, 27 December 2012, Date of Access: 13 January 2013. <http://www.reuters.com/article/2012/12/28/china-yuan-cross-border-idUSL4N0A203R20121228>

China announced that it will ensure reasonable monetary-based growth and keep sufficient liquidity to allow businesses to obtain loans³⁶.

The renminbi is now considered to be close to equilibrium level. However, further widening of the renminbi trading band has yet to be proposed.

Thus China has been awarded a score of 0 for partial compliance. Most specifically it receives 0 for making substantial progress in moving towards a more market-determined exchange rate without yet fully complying with this first element of the commitment. It however fully complies with the second consideration, i.e. refraining from competitive devaluation of its currency.

Analyst: Hiroyuki Ito

France: +1

France has fully complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

France is a member of the European Union, the economic and political alliance of 27 European member states. The European Union prohibits the devaluation of currencies thus France is unable to engage in the process without risking its membership in the organization. The European Central Bank (ECB) manages the foreign exchange reserves and can intervene in foreign exchange markets to influence the exchange rate of the euro.³⁷

On 5 November 2012, in a Communiqué of G20 Finance Ministers and Central Bank Governors, France and other members of G20 agreed to continue working towards the commitments made in the Los Cabos Action Plan and declared, “We reiterate our commitments to move more rapidly toward more market-determined exchange rate systems and exchange rate flexibility to reflect underlying fundamentals, avoid persistent exchange rate misalignments and refrain from competitive devaluation of currencies. (...) We reiterate that excess volatility of financial flows and disorderly movements in exchange rates have adverse implications for economic and financial stability. (...) We have also made progress in strengthening our Accountability Assessment framework by agreeing on a set of measures to inform our analysis of our fiscal, monetary and exchange rate policies.”³⁸

On 6 January 2013, French Finance Minister Pierre Moscovici said in an interview on France Inter, a French radio station, that he will meet Chinese authorities to discuss currency exchange rates issues and reiterated France’s commitment towards monetary dialogue within G8 and G20. French Minister Moscovici declared, “We shouldn’t be passive and we should be part of the monetary dialogue within the groups we are together with China and Japan like the G8 or the

³⁶ Yuan Has Biggest Weekly Gain in Two Months on Recovery Signs, Bloomberg, 21 December 2012, Date of Access: 13 January 2013. <http://www.bloomberg.com/news/2012-12-21/yuan-set-for-biggest-weekly-gain-in-two-months-on-recovery-signs.html>

³⁷Euro, New York Times Topics (New York) 5 February 2011. Date of Access: 27 December 2012. http://topics.nytimes.com/top/reference/timestopics/subjects/c/currency/euro/index.html?scp=1&s_per cent20q=italy per cent20currency per cent20devaluation&st=cse

³⁸G20 Information Center, Communiqué of Meeting of G20 Finance Ministers and Central Bank Governors (Mexico City) 5 November 2012. Date of Access: 23 December 2012. <http://www.g20.utoronto.ca/2012/2012-121105-finance-en.html>

G20.” “An overvalued euro is not in our interest if we wish to be able to reindustrialize the country,”³⁹ he added.

Thus France has been awarded a score of +1 for fully complying with its commitment to move toward a market-determined exchange rate and to refrain from competitive devaluation of its currency.

Analyst: Alain Sebban

Germany: +1

Germany has fully complied with its commitment to move towards market-determined exchange rate and refrain from competitive devaluation of its currency.

Germany is a member of the European Union, the economic and political alliance of 27 European member states. The European Union prohibits the devaluation of currencies thus Germany is unable to engage in the process without risking its membership in the organization. The European Central Bank (ECB) manages the foreign exchange reserves and can intervene in foreign exchange markets to influence the exchange rate of the euro.⁴⁰

The Greek debt crisis is the major threat for euro zone since 2010 and Germany has vowed to help Greek stay in euro zone on 24 August 2012⁴¹. Chancellor Merkel of Germany has also ceded some ground by agreeing to direct refinancing of banks in the negotiation on Italy and Spain situation on 29 June 2012⁴². Besides, Germany has benefited greatly from the common currency union: Germany’s labour costs have fallen by more than 15 per cent against the average labour costs of all the countries using the euro, and about 25 per cent against those of the troubled nations on the periphery.⁴³ The common currency contributes to boosting German exports as well, through wage advantage instead of competitive exchange rate.⁴⁴ The euro currency union has crucial value for the German economy and Germany has taken effort to maintain the stability of the euro currency and to prevent future misalignments.

³⁹French Finance Minister: Will Discuss Currencies With Chinese Leaders, The Wall Street Journal (New York) 6 January 2013. Date of Access: 7 January 2012.

<http://online.wsj.com/article/BT-CO-20130106-700723.html>

⁴⁰Euro, New York Times Topics (New York) 5 February 2011. Date of Access: 27 December 2012.

http://topics.nytimes.com/top/reference/timestopics/subjects/c/currency/euro/index.html?scp=1&s_per cent20q=italy per cent20currency per cent20devaluation&st=cse

⁴¹ Merkel Vows to Help Greeks Stay in Euro Zone, New York Times Global Business with Reuters (Berlin) 24 August 2012. Date of Access: 3 January 2013.

<http://www.nytimes.com/2012/08/25/business/global/german-chancellor-pledges-support-for-greece.html>

⁴² Germany Cedes Some Ground in Steps to Bolster Euro, New York Times Europe (Brussels) 29 June 2012. Date of Access: 3 January 2013.

<http://www.nytimes.com/2012/06/30/world/europe/european-leaders-move-toward-deals-for-spain-and-italy.html>

⁴³ Why Germany Will Pay Up to Save the Euro, New York Times Economics Scene (New York) 26 June 2012. Date of Access: 27 June 2013.

<http://www.nytimes.com/2012/06/27/business/economy/why-germany-will-pay-up-to-save-the-euro.html?pagewanted=all>

⁴⁴ Rand is still volatile on poor outlook, Business Report (Cape Town) 11 October 2012. Date of Access: 4 January 2013. <http://www.iol.co.za/business/business-news/rand-is-still-volatile-on-poor-growth-outlook-1.1400539-.UOnO928TGwg>

Thus Germany has been awarded a score of +1 for fully complying with its commitment of moving towards market-determined exchange rate and refrain from competitive devaluation of its currency.

Analyst: Donghao Rao

India: 0

India has partially complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency. India has refrained from competitive devaluation of the rupee and has committed to move towards a truly market-determined exchanged rate by addressing the structural causes of a weak rupee, i.e. large current account and fiscal deficits as well as high inflation, instead of artificially propping up the currency with monetary policy.

On 23 January 2013, Indian Finance minister P. Chidambaram made note of the progress in the stabilization of the rupee. He explained that the Indian rupee, which had weakened by 3 per cent against the dollar in 2012 after falling 16 per cent in the previous year, “appears to have stabilized somewhat,” but India needed to keep working to improve investor confidence. “Instead of trying to set the rupee right, we should address the underlying causes, three of which are India’s large current-account and fiscal deficits and high inflation...Once these are under control, once these begin to moderate, you will find that the rupee volatility also comes down sharply,” he said.⁴⁵

On 8 October 2012, Indian Finance Minister P. Chidambaram reiterated governments’ commitment to keep the momentum of reform unabated and claimed a moderate success in stabilizing the exchange rate.⁴⁶

On 28 June 2012, Prime Minister of India Manmohan Singh expressed his concern with, “the way the exchange rate is going, investor sentiment is down and capital flows are drying up.” He also added, “in the short run we need to revive investor sentiment, both domestic and international.”⁴⁷

Thus India has been awarded a score of 0 for partially complying with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

Analysts: Nanayaa Appenteng and Sunil Madan

⁴⁵ India Minister Tells Europe to Get Its Act Together. Wall Street Journal. 23 January 2013. Date of Access: 11 February 2013.
http://online.wsj.com/article/SB10001424127887323539804578259681361492450.html?mod=googlenews_wsj

⁴⁶ FM justifies reforms, claims success in stabilizing rupee. First Post Economy. 8 October 2012: Date of access 26 December 2012.
<http://www.firstpost.com/economy/fm-justifies-reforms-claims-success-in-stabilising-exchange-rate-482863.html>

⁴⁷ India PM Singh: Revive economy’s animal spirit. BBC News Online. 28 June 2012. Date of access: 26 December 2012.
<http://www.bbc.co.uk/news/world-asia-india-18621699>

Indonesia: +1

Indonesia has fully complied with its commitment to move more rapidly toward market-determined exchange rate systems and exchange rate flexibility. Indonesia has avoided persistent exchange rate misalignments and refrained from competitive devaluation of currencies.

On 13 June 2013, the Central Bank of Indonesia reported that the rupiah, on average, had depreciated by 0.36 (mtm) per cent to Rp9.758 per US dollar. The Central Bank of Indonesia credits this pressure with the “[repositioning] of financial assets from emerging markets”⁴⁸ coupled with expectations of possible federal monetary policy adjustment.

The Central Bank of Indonesia released plans to “[redenominate] the rupiah in 2014 to simplify payments”⁴⁹ and to prevent further inflation. The Indonesian Bank’s Department of Economic and Monetary Statistics revealed on 5 December 2012 that DHE data was increasing in quality. Bank Indonesia’s “ability to monitor exporter compliance with the DHE regulation”⁵⁰ reached 90 per cent in total export value for domestic foreign exchange banks. Bank Indonesia’s 12 November 2012 report maintained a BI rate of 5.75 per cent⁵¹ for the twelfth consecutive month. Bank Indonesia also implemented various policies for a balance of payment “that leads to a sustainable level to support the momentum of the national economy.”⁵²

Thus Indonesia has displayed full compliance of moving more rapidly toward market-determined exchange rate systems and exchange rate flexibility. Indonesia has been awarded a score of +1.

Analyst: Leah Bae

Italy: +1

Italy has fully complied with its commitment to move more rapidly toward market-determined exchange rate systems and exchange rate flexibility. Specifically, Italy has avoided persistent exchange rate misalignments and refrained from competitive devaluation of currencies.

The European Union (EU) prohibits the devaluation of currencies. Through the EU’s decentralized implementation,⁵³ the European Central Bank (ECB) implements policies for national central banks to transact. As a member of the European Union, Italy cannot devalue its currency and maintains a free float. The ECB’s report on 6 December 2012 stated that interest

⁴⁸ BI Rate Raised by 25bps to 6.00%, Bank Indonesia (Jakarta). 13 June 2013. Date of Access: 27 June 2013. http://www.bi.go.id/web/en/Ruang+Media/Siaran+Pers/sp_150913_dkom.htm

⁴⁹ Indonesian Central Bank Plans to Redenominate Rupiah in 2014, Bloomberg Businessweek. 14 December 2012. Date of Access: 5 January 2013. <http://www.rba.gov.au/media-releases/2012/mr-12-36.html>

⁵⁰ Reports of Foreign Exchange Flows (LLD) and Export Proceeds (DHE) Improving, Bank Indonesia (Jakarta). 5 December 2012. Date of Access: 5 January 2013. http://www.bi.go.id/web/en/Ruang+Media/Siaran+Pers/sp_144212.htm

⁵¹ BI Rate Maintained at 5.75 per cent, Bank Indonesia (Jakarta). 12 November 2012. Date of Access: 5 January 2013.

http://www.bi.go.id/web/en/Ruang+Media/Siaran+Pers/sp_144512.htm

⁵² Bank Indonesia and Government Coordinated Measures to Overcome Increasing Current Account Deficit, Bank Indonesia (Jakarta). 8 October 2012. Date of Access: 5 January 2013.

http://www.bi.go.id/web/en/Ruang+Media/Siaran+Pers/sp_142912.htm

⁵³ ECB Monetary policy implementation, European Central Bank (Frankfurt). Date of Access: 5 January 2013.

<http://www.ecb.europa.eu/mopo/intro/operational/html/index.en.html>

rates on “marginal lending facility and deposit facility” were to remain unchanged at 0.75, 1.50, and 0.00 per cents⁵⁴.

Italy has been awarded a score of +1 for fulfilling compliance of moving towards market-determined exchange rate systems and exchange rate flexibility.

Analyst: Alain Sebban

Japan: -1

Japan has failed to comply with its commitment to enhance exchange rate flexibility: it has not refrained from competitive devaluation, thus moving away from a market-determined exchange rate.

On 19 June 2013, the Bank of Japan Governor stated that the “merit of monetary policy is flexibility. We will adjust monetary policy in an appropriate manner if the real economy changes.”⁵⁵

On 11 June 2013, the Bank of Japan Governor Hiroki Kuroda made a statement that the central bank will consider extending the duration of its fixed-rate market operation in the future if necessary to stem any possible spike in bond yields.⁵⁶

On 4 April 2013, the Bank of Japan announced that it will aim to double the monetary base over the next two years through purchasing of long-term bonds. In addition, the Bank of Japan stated it “will achieve 2 per cent inflation” to beat the two decades of deflation⁵⁷. After the announcement, the yen weakened from JPY92.91 to 1USD to JPY95.20. The yen marked a 4-year low of JPY103.74 to 1USD on 17 May 2013.⁵⁸

On 6 February 2013, Takehiro Sato of the Bank of Japan announced that he would continue to seek ways to indirectly influence exchange rates through monetary policy. “By easing monetary policy through increased asset purchases ... the Bank of Japan is aiming to lower interest rates and make the yen less attractive as a safe-haven currency”⁵⁹

⁵⁴ ECB Press Release, European Central Bank (Frankfurt) 6 December 2012. Date of Access: 5 January 2013.

http://www.bancaditalia.it/media/comunicati_bce/com_bce/2012/06-12-2012/pr-121206.en.pdf

⁵⁵ BOJ's Kuroda says will shift policy if economy changes, Reuters, 19 June 2013, Date of Access: 28 June 2013 <http://www.reuters.com/article/2013/06/19/us-japan-economy-boj-idUSBRE95I04U20130619>

⁵⁶ BOJ's Kuroda: will consider steps to calm JGB market if needed, Reuters, 11 June 2013, Date of Access: 28 June 2013 <http://www.reuters.com/article/2013/06/11/japan-economy-boj-idUST9N0CH0AK20130611>

⁵⁷ Q&A: What has the Bank of Japan done?, Financial Times, 4 April 2013, Date of Access: 28 June 2013. <http://www.ft.com/intl/cms/s/0/59a810ee-9cfb-11e2-88e9-00144feabdc0.html#axzz2XVUCjGXe>

⁵⁸ Japan's Abe targets income gains in growth strategy, Reuters, 5 June 2013, Date of Access: 28 June 2013. <http://www.reuters.com/article/2013/06/05/us-japan-economy-arrow-idUSBRE95400R20130605>

⁵⁹ BOJ's Sato says still seeking ways to influence yen rates, Reuters, 6 February 2013, Date of Access: 11 February 2013. <http://www.reuters.com/article/2013/02/06/us-japan-economy-boj-idUSBRE91505S20130206>

On 22 January 2013, the Bank of Japan for the first time set a 2 per cent inflation target and agreed to open-ended asset purchases. This aims to alleviate deflation, which will also have the effect of weakening the yen⁶⁰.

On 10 January 2013, new Japanese Prime Minister Shinzo Abe announced JPY10.3trillion (USD116billion) economic stimulus package which aims to lift Japan's GDP by 2 per cent and create 600,000 new jobs. Following the announcement, the yen weakened as far as JPY89.35 to the USD, reaching its lowest point against since June 2010.⁶¹

On 28 December 2012, Japanese Minister of Finance Taro Aso announced that the Japanese government was considering purchasing foreign-government bonds to weaken the yen and to boost its economy.⁶²

Thus Japan has been awarded a score of -1 for not complying with its commitment to refrain from competitive devaluation and to move toward a market-determined exchange rate.

Analyst: Hiroyuki Ito

Korea: 0

Korea has partially complied with its commitment to move more rapidly toward market-determined exchange rate systems and to exchange rate flexibility. Korea has made progress in avoiding persistent exchange rate misalignments as well as refraining from competitive devaluation of currency.

In January 2013, the Bank of Korea engaged in an arrangement with the People's Bank of China so that the "funds of won-yuan currency swaps"⁶³ could be used in trade settlements.

From December 2012 onwards, the ratio of ceilings on foreign exchange forward positions to equity was reduced from 40 to 30 per cent and 200 to 150 per cent for domestic and foreign banks respectively⁶⁴. The Bank of Korea did this as a precautionary measure against volatility caused by a predicted increase in foreign in-and-outs.

⁶⁰ Win some, lose some, The Economist, 26 January 2013, Date of Access: 11 February 2013.

<http://www.economist.com/news/finance-and-economics/21570710-bank-japan-tests-limits-shinzo-abes-economic-power-win-some-lose>

⁶¹ Japan unveils Y10.3tn stimulus package, Financial Times, 11 January 2013, Date of Access: 11 February 2013. <http://www.ft.com/intl/cms/s/0/a165b562-5b92-11e2-9d4c-00144feab49a.html>

⁶² Japan Rebuke to G-20 Nations May Signal Moves to Weaken Yen, Bloomberg, 31 December 2013, Date of Access: 11 February 2013. <http://www.bloomberg.com/news/2012-12-31/japan-rebuke-to-g-20-nations-may-signal-more-moves-to-weaken-yen.html>

⁶³ Bank of Korea: Monetary Policy Reports (Seoul) 28 May 2013. Date of Access: 28 June 2013. <http://www.bok.or.kr/contents/total/eng/boardView.action?boardBean.brdid=12046&boardBean.rnum=1&menuNaviId=628&boardBean.menuid=628&boardBean.cPage=1&boardBean.categorycd=0&boardBean.sdt=&boardBean.edt=&boardBean.searchColumn=&boardBean.searchValue=>

⁶⁴ Bank of Korea: Monetary Policy Reports (Seoul) 28 May 2013. Date of Access: 28 June 2013. <http://www.bok.or.kr/contents/total/eng/boardView.action?boardBean.brdid=12046&boardBean.rnum=1&menuNaviId=628&boardBean.menuid=628&boardBean.cPage=1&boardBean.categorycd=0&boardBean.sdt=&boardBean.edt=&boardBean.searchColumn=&boardBean.searchValue=>

The Bank of Korea adjusted its base rate of 3.25 per cent by 0.25 in July 2012 while maintaining its Aggregate Credit Ceiling Loans interest rate at 1.50 per cent.⁶⁵

In response to a deteriorating global economy, Korean authorities have begun to monitor more closely its foreign bank branches to ensure flexibility and have aided in the “establishment of the inter-agency Foreign Exchange Market Stabilization Committee”⁶⁶ They have however refrained from taking active action to exert downward pressure on the Korean won.

Thus Korea has been awarded a score of 0 for partially complying with its commitment to move towards a market-determined exchange rate. Korea has been recognized for working toward exchange rate flexibility.

Analyst: Lea Bae

Mexico: +1

Mexico has fully complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

Mexico has a floating exchange rate system with a Banco de Mexico that is committed to allowing market forces to determine the exchange rate⁶⁷.

On 18 January 2013, the peso depreciated after the Central Bank of Mexico announced that it could cut interest rates if inflation continues to cool and the economy loses steam. The bank’s decision to keep interest rates flat at 4.5 per cent reduced investors’ appetite for the Mexican peso, which fell half a percent to 12.6565 per 1USD.⁶⁸

On 26 October 2012, the Central Bank of Mexico kept interest rates flat at 4.5 per cent. Banco de Mexico has not raised interest rates since 2008 and this policy stance has pushed the peso into positive territory as markets moved to price in the chance of rates rising sooner than expected⁶⁹.

Thus Mexico is awarded a score of +1 for its full commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

Analyst: Nanayaa Appenteng

Russia: +1

Russia has complied with its commitment on moving toward a more market-determined exchange rate.

⁶⁵ Bank of Korea: Monetary Policy Reports (Seoul) 23 November 2012. Date of Access: 5 January 2013. <http://www.bok.or.kr/contents/total/eng/boardView.action?boardBean.brdid=11525&boardBean.rnum=1&menuNaviId=628&boardBean.menuid=628&boardBean.cPage=1&boardBean.categorycd=0&boardBean.sdt=&boardBean.edt=&boardBean.searchColumn=&boardBean.searchValue=>

⁶⁶ IMF: Korea Confronts Global Headwinds with Strong Fiscal Position, 19 September 2012. Date of Access: 5 January 2013. <http://www.imf.org/external/pubs/ft/survey/so/2012/car091912a.htm>

⁶⁷ Foreign Exchange Rates. Banco de Mexico. Date of Access: 5 January 2013. <http://www.banxico.org.mx/portal-mercado-cambiario/foreign-exchange-markets--exc.html>

⁶⁸ Mexican peso drops as central bank warns of rate cut. Reuters. 19 January 2013. Date of Access: 19 January 2013. <http://www.reuters.com/article/2013/01/18/markets-latam-forex-idUSL1E9CICX020130118>

⁶⁹ Mexico Central Bank Holds Rates Steady-May Rise Soon. Reuters. 26 October 2012. Date of Access: 5 January 2013. <http://www.reuters.com/article/2012/10/26/mexico-economy-idUSL1E8LQ4RM20121026>

On 1 November 2012, the Russian Central Bank Board of Directors approved the Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015. According to the Guidelines “the Bank of Russia will continue gradually increasing the exchange rate flexibility in the next three years and intends to abolish operational benchmarks for the level of the exchange rate in its exchange rate policy and to switch to a floating exchange rate by 2015.”⁷⁰

Russia has refrained from competitive devaluation of the ruble.

From 20 June 2012 to 20 June 2013 Russian ruble exchange rate to the US dollar increased by 0.6%⁷¹ and by 5% to the euro.⁷²

According to the Guidelines for the Single State Monetary Policy, in 2012 the Russian Central Bank implemented “exchange rate policy under the managed floating exchange rate regime, not impeding exchange rate developments determined by economic fundamentals.”⁷³

Russia has taken measures to move toward a more market-determined exchange rate and refrained from competitive devaluation of its currency. Thus Russia has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

Specifically Saudi Arabia has failed to follow a market-determined exchange rate system but has refrained from competitive devaluation of its currency.

Since Saudi Arabia has followed a fixed exchange rate regime since 1986 (USD1 = SAR3.75)⁷⁴, it has not moved toward a more market-determined exchange rate nor has it engaged in competitive devaluation.

Thus Saudi Arabia has been awarded a score of 0 for failing to move toward a more market-determined exchange rate, but for refraining from competitive devaluation.

Analyst: Krystel Montpetit

South Africa: +1

South Africa has fully complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

⁷⁰ Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015, Bank of Russia 1 November 2012. http://www.cbr.ru/eng/today/publications_reports/on_13-eng.pdf.

⁷¹ RUB/USD Basic Chart, Yahoo! Finance. Date of Access: 2 April 2012. <http://finance.yahoo.com/q/bc?s=RUBUSD=X&t=1y>.

⁷² RUB/EUR Basic Chart, Yahoo! Finance. Date of Access: 2 April 2012. <http://finance.yahoo.com/q/bc?s=RUBEUR=X&t=1y>.

⁷³ Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015, Bank of Russia 1 November 2012. http://www.cbr.ru/eng/today/publications_reports/on_13-eng.pdf.

⁷⁴ International Economics, Historical Exchange Rate Regime of Asian Countries (Hong Kong) Chinese University of Hong Kong, 2000. Date of Access: 4 February 2013. http://intl.econ.cuhk.edu.hk/exchange_rate_regime/index.php?cid=21

South Africa has a floating exchange rate system with South African Reserve Bank generally staying out of the market and allowing market force to determine the exchange rate⁷⁵.

The exchange rate of the South African rand has been very volatile since June 2012. The primary causes of this volatility are foreign investments in South African assets and government bonds, which have caused large capital inflows or outflows.⁷⁶ The inclusion of South Africa in the Citibank World Government Bond Index has caused large inflows to its debt market, exerting influence on its exchange rate.⁷⁷

South Africa has not competitively devalued its currency. Although the South Africa Reserve Bank monetary policy committee cut the bank's repo rate by 0.5 per cent in July 2012, there is very low chance of a further rate cut by market expectations.⁷⁸ Furthermore the monetary policy committee made this cut mainly to stimulate the economy and to prevent larger current account deficit instead of to seek competitive advantage on exports.

Although the South Africa Rand to US Dollar exchange rate has been showing a falling trend throughout last year, this is mainly due to the quantitative easing programs released by US central bank, which leads to currency devaluation in most emerging countries.⁷⁹

Thus South Africa is awarded a score of +1 for its full commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

Analyst: Donghao Rao

Turkey: 0

Turkey has partially complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency. Since the Los Cabos Summit in June 2012, Turkey has refrained from competitively devaluing its currency but the Turkish Central Bank has adjusted its interest rate in order to sustain the value of the Turkish lira, not fully fulfilling its commitment to move toward a market-determined exchange rate.

On 11 June 2013, the Turkish Central Bank has acted to support the weakening lira. The central bank also stated that it planned short-term extra policy-tightening steps through open market

⁷⁵ Exchange Rate Policy, South Africa Reserve Bank (Cape Town). Date of Access: 4 January 2013. <http://www2.resbank.co.za/internet/Glossary.nsf/0/6e77f482c063ea5742256b430031f732?OpenDocument>

⁷⁶ Rand is still volatile on poor outlook, Business Report (Cape Town) 11 October 2012. Date of Access: 4 January 2013. <http://www.iol.co.za/business/business-news/rand-is-still-volatile-on-poor-growth-outlook-1.1400539-.UOnO928TGwg>

⁷⁷ Bank's rate decision helps the rand, Business Report (Cape Town) 21 September 2012. Date of Access: 4 January 2013. <http://www.iol.co.za/business/markets/currencies/bank-s-rate-decision-helps-the-rand-1.1387791-.UOnPGW8TGwg>

⁷⁸ Rand plunges as exports drop, Business Report (Cape Town) 16 November 2012. Date of Access: 4 January 2013. <http://www.iol.co.za/business/markets/commodities/rand-plunges-as-exports-drop-1.1424541-.UOnPKG8TGwg>

⁷⁹ South African Rand to US Dollar (ZAR/USD) Exchange Rate – Rand falls over Mandela health concerns and USD strength, Future Currency Forecast 24 June 2013. Date of Access: 27 June 2013. <http://www.futurecurrencyforecast.com/south-african-rand-to-us-dollar-zarusd-exchange-rate-rand-falls-over-mandela-health-concerns-and-usd-strength/19980>

operations and it would intervene directly in the foreign exchange market if needed⁸⁰. In the following day, the lira started to reverse its recent underperformance⁸¹.

On 16 May 2013, the interest rates were lowered by 50 basis points each in a bid to stimulate the economy and keep the lira from rising due to aggressive monetary easing elsewhere around the world⁸².

On 3 April 2013, the Turkish Central Bank made a statement that it could make a “measured” cut in its one-week repo policy rate if the real effective exchange rate of the lira exceeds 120 on an index measuring the weighted average of domestic prices relative to those of trade partners.⁸³

On 26 March 2013, the Turkish Central Bank made a statement that the upper limit in its one-month repo auction would be 1 billion lira between 27 March 2013 and 16 April 2013.⁸⁴

On 19 February 2013, the Turkish Central Bank announced it would provide between TRY0.2-6.5 billion in funding. It also noted that the upper limit in its one-month repo auctions would be TRY2.5 billion until 26 March 2013.⁸⁵

On 22 January 2013, the Turkish Central Bank announced that it will adjust the short-term interest rate in order to contain the risks on financial stability while continuing with macro-prudential measures.⁸⁶ The Turkish Central bank reduced the overnight lending and borrowing rates by 25 basis points each to 8.75 per cent and 4.75 per cent respectively.⁸⁷

⁸⁰ Turkey's central bank acted to support the lira on Tuesday and Turkish debt insurance costs rose, as markets - looking past data on faster economic growth - took fright at fresh police and protester clashes in Istanbul, Reuters, 11 June 2013, Date of Access: 28 June 2013

<http://www.reuters.com/article/2013/06/11/us-turkey-cbank-tightening-idUSBRE95A0DA20130611>

⁸¹ The Turkish lira continued to firm on Thursday in the wake of central bank action to stabilize markets, although gains were limited by uncertainty about the effectiveness of the ruling AK Party's bid to quell anti-government protests, Reuters, 13 June 2013, Date of Access: 28 June 2013

<http://www.reuters.com/article/2013/06/13/us-turkey-markets-idUSBRE95C0EL20130613>

⁸² Central bank raises forex required reserves, reserve option rules, Reuters, 16 May 2013, Date of Access: 28 June 2013 <http://www.reuters.com/article/2013/05/16/turkey-cbank-idUSL6N0DX2OM20130516>

⁸³ Turkey's real exchange rate 119.95 in March: central bank, Business Recorder, 4 April 2013, Date of Access: 28 June 2013 <http://www.brecorder.com/markets/fxmm/europe/113770-turkeys-real-exchange-rate-11995-in-march-central-bank.html>

⁸⁴ Turkey's central bank said on Tuesday it would provide between 0.2-6.5 billion lira in funding via its daily repo auctions until April 16, Reuters, 26 March 2013, Date of Access: 28 June 2013

<http://www.reuters.com/article/2013/03/26/turkey-rates-funding-idUSI7N0AJ02R20130326>

⁸⁵ Turkey's central bank said on Tuesday it would provide between 0.2-6.5 billion lira in funding via its daily repo auctions until March 26, 19 February 2013, Reuters, Date of Access: 28 June 2013

<http://www.reuters.com/article/2013/02/19/turkey-cbank-funding-idUSI7N0AJ01720130219>

⁸⁶ Decision of the Monetary Policy Committee No2013-01, Central Bank of the Republic of Turkey, 22 January 2013, Date of Access: 9 February 2013. <http://www.tcmb.gov.tr/yeni/announce/2013/ANO2013-01.pdf>

⁸⁷ Turkish Yields Rebound From Record Low as Rate Cut Bets Pared, Bloomberg, 8 February 2013, Date of Access: 9 February 2013. <http://www.bloomberg.com/news/2013-02-08/turkish-yields-rebound-from-record-low-as-rate-cut-bets-pared.html>

On 18 December 2012, the Turkish Central Bank lowered its benchmark interest rate for the first time in 16 months to a record low in a bid to spur economic growth and halt an appreciation of the lira⁸⁸.

In response to the rise of lira, the Turkish Central Bank cut its overnight lending rate from 9.5 per cent a year to 9 per cent while keeping its one-week repo and its overnight borrowing rate unchanged at 5.75 per cent and 5 per cent respectively on 20 November 2012.⁸⁹

On 5 November 2012, the credit rating agency Finch upgraded the Turkish debt to investment grade⁹⁰. As result, the value of Turkish lira rose shapely and the ISE 100 index in Istanbul climbed 1.8 per cent to a record high.⁹¹

On 18 September 2012, Turkey has reduced its interest rates by 150 basis points to 10 per cent⁹² in response to lower-than-forecasted inflation and slowing economic growth.

Thus Turkey has been awarded a score of 0 for partially complying with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

Analyst: Hiroyuki Ito

United Kingdom: +1

The United Kingdom has fully complied with its commitment to move toward a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

On 13 October 2012, in an IMF statement on behalf of the United Kingdom, Chancellor of the Exchequer George Osborne reaffirmed G20 recommendations towards a more market-determined exchange rate when he declared, “Emerging market economies must implement their own structural reforms to facilitate a move away from external sources of growth towards stronger domestic demand, particularly consumption. Greater exchange rate flexibility and financial deepening will also help to facilitate this shift. (...) I look forward to discussions with colleagues in Tokyo on how the membership can effectively deliver a concerted, coordinated policy response to these policy challenges.”⁹³

On 9 July 2012, British Secretary to the Treasury Mark Hoban stated that “All European Union member states require open capital markets to support our corporations. Ultimately a global

⁸⁸ Basci Cuts Turkey Rate First Time in 16 Months to Record Low, Bloomberg, 18 December 2012, Date of Access: 9 February 2013. <http://www.bloomberg.com/news/2012-12-18/basci-cuts-turkey-rate-first-time-in-16-months-to-record-low.html>

⁸⁹ Turkey’s interest rate balancing act, Financial Times, 20 November 2012, Date of Access: 9 February 2013. <http://blogs.ft.com/beyond-brics/2012/11/20/turkeys-interest-rate-balancing-act/#axzz2KPM3PhoE>

⁹⁰ Guest Post: interest cut could follow Turkish credit upgrade, Financial Times, 6 November 2012, Date of Access: 9 February 2013. <http://blogs.ft.com/beyond-brics/2012/11/06/guest-post-interest-rate-cut-could-follow-turkish-credit-upgrade/#axzz2KRZmpIEN>

⁹¹ Turkish Lira Jump after Fitch Upgrade, The Wall Street Journal, 5 November 2012, Date of Access: 9 February 2013. <http://online.wsj.com/article/SB10001424052970204349404578100423535697346.html>

⁹² Turkey: Running a monetary maze, Financial Times, 18 September 2012, Date of Access: 9 February 2013. <http://blogs.ft.com/beyond-brics/2012/09/18/turkey-running-a-monetary-maze/#axzz2KR4XdAD>

⁹³International Monetary and Financial Committee, Statement by George Osborne Chancellor of the Exchequer, H.M Treasury (United Kingdom) 13 October 2012. Date of Access: 20 December 2012. <http://www.imf.org/External/AM/2012/imfc/statement/eng/gbr.pdf>

reserve currency like the euro or the dollar can only maintain its international standing if it can freely be traded and cleared beyond the 17 Eurozone members, across the world.”⁹⁴ Thus the British Financial Secretary to the Treasury went on to reiterate the importance of moving towards a more market determined exchange rate and refraining from competitive devaluation of currencies regarding the euro and dollar, which can be considered as a policy target for the Sterling Pound as well.

No instance of quantitative easing (QE) was registered for the United Kingdom since the Los Cabos Summit on 18-19 June 2012.

Therefore, the United Kingdom has moved toward a market-determined exchange rate and has refrained from competitive devaluation. It thus receives a score of +1.

Analyst: Alain Sebban

United States: +1

The United States has fully complied with its commitment to move more rapidly toward market-determined exchange rate systems and exchange rate flexibility. Specifically the United States has fully refrained from competitive devaluation of its currency.

On 15 February 2013, U.S. Treasury Undersecretary for International Affairs Lael Brainard reiterated the United States’ position on competitive devaluation of its currency. She stated that G20 nations “must bring their exchange-rate frameworks into alignment so that we grow together and avoid a downward spiral of beggar-thy-neighbor policies.”⁹⁵

On 25 January 2012, the US Federal Reserve stated that it does not plan to increase interest rates until 2014. Following this announcement, the dollar fell sharply in markets.⁹⁶ As of the date of this publication, interest rates remain in a target range of zero to 0.25 per cent.⁹⁷

No instance of quantitative easing (QE) was registered for the United States since the Los Cabos Summit on 18-19 June 2012.

The United States has thus been awarded a score of +1 for fully complying with its commitments.

Analyst: Nanayaa Appenteng

European Union: +1

The European Union has fully complied with its commitment to move towards a more market-determined exchange rate and to refrain from competitive devaluation of its currency.

⁹⁴Speech by Financial Secretary to the Treasury, Mark Hoban MP; Banking union in the eurozone (Brussels) 9 July of 2012. Date of Access: 21 December 2012.

http://www.hm-treasury.gov.uk/fst_speech_090712.htm

⁹⁵ Brainard Reiterates U.S Policy on Competitive Devaluations. Bloomberg. 15 February 2013. Date of Access: 17 February 2013. <http://www.bloomberg.com/news/2013-02-15/brainard-reiterates-u-s-stance-against-competitive-devaluations.html>

⁹⁶ Fed not to raise US interest rates until late 2014. BBC News. 25 January 2012. Date of Access: 15 February 2013. <http://www.bbc.co.uk/news/business-16733461>

⁹⁷ Fed Keeps US interest Rates on Hold. BBC News. 30 January 2013. Date of Access: 17 February 2013. <http://www.bbc.co.uk/news/business-21266287>

On 4 July 2013, the European Central Bank announced that it would keep its main interest rate low, i.e. 0.5 per cent, “for an extended period of time.”⁹⁸ ECB President Draghi also said that extensive discussions had taken place about a further possible interest rate cut. The euro fell steeply on the news that interest rates could be further lowered; falling 0.8 per cent against the dollar to USD1.2903 before rebounding to USD 1.3141 as of 23 July 2013.⁹⁹

On 2 May 2013, the European Central Bank cut its main interest rate by a quarter percentage point to a record low 0.50 per cent as a response to a drop in euro zone inflation below its target level as well as rising unemployment.¹⁰⁰

On 7 February 2013, ECB President Draghi addressed concerns regarding a currency war by stating that he didn’t believe exchange rates were being deliberately managed lower. Instead he explains, “they are more the effect of macroeconomic policies that are meant to revamp economies [...] if these policies produce consequences on the exchange rates that do not reflect the G20 consensus (on avoiding competitive devaluations), we will have to discuss this,” he added¹⁰¹.

On 6 December 2012, the European Central Bank left interest rates unchanged, holding off on further stimulus despite European economies being mired in recession. Following the rate-setting governing council’s decision to hold rates at 0.75 percent, Central Bank President Mario Draghi reiterated that the bank’s mandate was to “target inflation- or maintain price stability- and not the exchange rate.” However, he added: “we want to see if this appreciation is sustained and if it alters our assessment of price stability.”¹⁰²

On 5 July 2012, the European Central Bank cut its main interest rate to a historic low. European Central Bank President Mario Draghi said policymakers “had unanimously decided to cut the central bank’s main policy rate by a quarter of a percentage point to 0.75 percent, pushing the rate under 1 per cent for the first time¹⁰³.”

Thus, the European Union has been awarded a score of +1 for policy actions taken to support a market driven exchange rate and to refrain from competitive devaluation of its currency.

Analyst: Nanayaa Appenteng

⁹⁸ ECB says rates to stay low for extended period, BBC News (London) 4 July 2013.

Date of access: 23 July 2012. <http://www.bbc.co.uk/news/business-23181876>

⁹⁹ ECB says rates to stay low for extended period, BBC News (London) 4 July 2013.

Date of access: 23 July 2012 <http://www.bbc.co.uk/news/business-23181876>

¹⁰⁰ ECB cuts interest rates, open to further action. Reuters. 2 May 2013. Date of Access: 15 June 2013.

<http://www.reuters.com/article/2013/05/02/us-ecb-rates-idUSBRE94100520130502>

¹⁰¹ Draghi move fuels currency war fears. Financial Times. 7 February 2013. Date of Access: 13 February 2013. <http://www.ft.com/cms/s/0/981f3812-7117-11e2-9d5c-00144feab49a.html - axzz2L43kR660>

¹⁰² European Central Bank leaves interest rates unchanged at record lows. Fox News. 6 December 2012.

Date of Access: 7 February 2013. <http://www.foxnews.com/world/2012/12/06/european-central-bank-leaves-interest-rates-unchanged-at-record-lows/>

¹⁰³ ECB Cuts Interest rates to historic low. Financial Times. 5 July 2012. Date of Access: 5 January 2013.

<http://www.ft.com/cms/s/0/077c9f4a-c67a-11e1-963a-00144feabdc0.html - axzz2L43kR660>

2. Macroeconomic: Fiscal Consolidation and Stimulation of Growth

Commitment [#78]

“Advanced economies will ensure that the pace of fiscal consolidation is appropriate to support the recovery, taking country-specific circumstances into account and, in line with the Toronto commitments, address concerns about medium term fiscal sustainability.”

Los Cabos Action Plan for Growth and Jobs

Assessment

Country	Lack of Compliance	Work in Progress	Full compliance
Argentina		n/a	
Australia			+1
Brazil		n/a	
Canada			+1
China		n/a	
France	-1		
Germany			+1
India		n/a	
Indonesia		n/a	
Italy	-1		
Japan			+1
Korea			+1
Mexico		n/a	
Russia		n/a	
Saudi Arabia		n/a	
South Africa		n/a	
Turkey		n/a	
United Kingdom			+1
United States		0	
European Union			+1
Average Score		+0.50	

Background

The G20 leaders, Finance Ministers, and Central Bank Governors have underscored the importance of sustainable public finances since the G20 Finance Ministers and Central Bank Governors’ Meeting in Washington in April 2010. Under the G20 Framework for Strong, Sustainable, and Balanced Growth, it was agreed that sustainable growth should be based on sustainable public finances.¹⁰⁴ During the G20 Finance Ministers and Central Bank Governors’ Meeting in Busan, Korea in June 2010, the leaders solidified their commitment to fiscal consolidation, stating that recent economic events highlighted the need for sustainable public

¹⁰⁴ G20 Finance Ministers and Central Bank Governors’ Communiqué, G20 Finance Ministers and Central Bank Governors’ Meeting (Washington) 23 April 2010. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2010/g20finance100605.html>

finances and the need to “deliver fiscal sustainability, differentiated for and tailored to national circumstances.”¹⁰⁵

In the Toronto Communiqué, the leaders affirmed that “sound fiscal finances are essential to sustain recovery, provide flexibility to respond to new shocks, ensure the capacity to meet the challenges of aging populations, and avoid leaving future generations with a legacy of deficits and debt.”¹⁰⁶ The leaders established that fiscal plans have to be “credible, clearly communicated, differentiated to national circumstances, and focused on measures to foster economic growth.” In addition, the leaders also warned that “failure to implement consolidation where necessary would undermine confidence and hamper growth.”¹⁰⁷

At the G20 Seoul Summit the leaders formulated specific medium-term fiscal consolidation strategies and policy actions tailored to their individual national circumstances under the *Policy Commitments by G20 Members* document.¹⁰⁸ The commitment called on advanced economies to formulate and implement clear, credible, ambitious, and growth-friendly medium-term fiscal consolidation plans in line with the Toronto commitment. The average compliance score of the fiscal consolidation commitment during the Seoul compliance cycle was 0.89. The commitment had the second highest rate of compliance of all commitments profiled by the G20 Research Group during the Seoul compliance cycle.¹⁰⁹

In the Cannes communiqué, the leaders of advanced economies committed “to adopt policies to build confidence and support growth and implement clear, credible and specific measures to achieve fiscal consolidation.”¹¹⁰ The *Cannes Action Plan for Growth and Jobs* set out country specific policy commitments.¹¹¹ The average compliance score among G20 members during the Cannes compliance cycle was +0.11. This low level of compliance among advanced G20 members reflects the difficulty of combating poor global economic conditions while maintaining sustainable public finances.

The *Los Cabos Growth and Jobs Action Plan* reiterates the G20 members’ fiscal consolidation commitment and states that fiscal policies in all G20 members’ economies “will focus on strengthening and sustaining the recovery in a manner which promotes fiscal sustainability and enhances policy credibility.”¹¹² At Los Cabos the G20 leaders agreed to include a new

¹⁰⁵ G20 Finance Ministers and Central Bank Governors’ Communiqué, G20 Finance Ministers and Central Bank Governors’ Meeting (Busan) 5 June 2010. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2010/g20finance100605.html>.

¹⁰⁶ The G20 Toronto Summit Declaration, G20 Toronto Summit (Toronto) 27 June 2010. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2010/to-communication.html>.

¹⁰⁷ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2010/to-communication.html>.

¹⁰⁸ Policy Commitments by G20 Members, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2010/g20seoul-commitments.pdf>.

¹⁰⁹ 2010 Seoul G20 Summit Final Compliance Report, G20 Information Centre (Toronto) 6 November 2011. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/compliance/2010seoul-final/index.html>.

¹¹⁰ Communiqué: G20 Leaders Summit, G20 Research Centre (Toronto) 4 November 2011. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-communication-111104-en.html>

¹¹¹ Cannes Action Plan for Jobs and Growth, G20 Research Centre (Toronto) 4 November 2011. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-action-111104-en.html>.

¹¹² Los Cabos Action Plan for Jobs and Growth, G20 Research Centre (Toronto) 19 June 2012.

requirement into the commitment to address the pace of fiscal consolidation.¹¹³ In response to concerns that rigid austerity measures were aggravating recessions in some G20 members' economies, the Los Cabos Declaration gave each member the responsibility to ensure that the pace of their fiscal consolidation efforts supports the recovery.

Each country's specific commitment is assessed allowing for its national circumstances as outlined in the member specific annex of the *Los Cabos Policy Commitments* (see Table 2-1).

Table 2-1: Member-Specific Fiscal Consolidation Commitments¹¹⁴

AUSTRALIA		
Commitment/Timeframe	Objectives	Update on Progress
Reduce federal net debt and return budget to surplus by FY2012-13.	Through fiscal consolidation, contribute to sustainability of public finances, and support Australia's capacity to respond to unanticipated events.	The 2012-13 Budget announced an estimated surplus of AUD\$1.5 billion in underlying cash terms in FY2012-13. Australian Federal Government net debt is expected to peak at 9.6 per cent of GDP in 2011-12 and fall to zero by 2020-21.
CANADA		
Commitment/Timeframe	Objectives	Update on Progress
1. The Government will implement the comprehensive review of departmental spending, which will support a return to balanced budgets over the medium term. The Plan will engage with about 70 federal organizations to identify annual savings by 2014-2015 equal to roughly 5 per cent of total federal direct program spending. <i>Timeframe: Medium Term</i>	Return to balanced budgets over the medium term.	As of FY2011-12, the deficit has been cut in half in just two years. The 2011 departmental spending review has resulted in the identification of annual savings amounting to USD\$5.2 billion by 2014-15, or 6.9 per cent of the review base, exceeding the 5 per cent target. As a result of this and other spending restraint actions implemented since 2010, the Government is on track to eliminate the deficit over the medium term. Measure of Progress: Return to balanced budgets over the medium term.

Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/summits/2012loscabos.html>.

¹¹³ The G20 Los Cabos Summit Declaration, G20 Research Centre (Toronto) 19 June 2012.

Date of Access: 4 December 2012 <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

¹¹⁴ Policy Commitments by G20 Members, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/summits/2012loscabos.html>.

<p>2. Adjusting the Public Service Pension Plan so that public service employee contributions equal, over time, those of the employer. Comparable changes to the contribution rates will be made to the pension plans for the Canadian Forces, the Royal Canadian Mounted Police and Parliamentarians. For employees who join the federal Public Service starting in 2013, the normal age of retirement will be raised from 60 to 65.</p>	<p>Ensure pension plans for Public Servants and Parliamentarians are sustainable, financially responsible, and broadly consistent with pension products offered by other jurisdictions as well as fair and relative to those offered in the private sector.</p>	<p>Adjustments to employee pension contributions will commence following consultations with key stakeholders. Retirement age changes will take effect for new employees who enter the Public Service in 2013. Adjustments to the pension plan of Parliamentarians will take effect in the next Parliament. Measure of Progress: Public service employees' contributions will increase, over time, to eventually match those of the employer.</p>
<p>3. Set the future growth path of transfers to provinces and territories to provide sustainable and predictable funding in support of the provision of health care, education and other programs and services for all Canadians.</p>	<p>To ensure the sustainability of our social programs and fiscal position over the longer term.</p>	<p>The Government will introduce legislation to continue the current 6-per-cent annual escalator for the Canada Health Transfer (CHT) will continue for five more years. Measure of Progress: Starting in 2017–18, the CHT will grow in line with a three-year moving average of nominal GDP growth, with funding guaranteed to increase by at least 3 per cent per year. Legislation will also continue the 3-per-cent escalator for the Canada Social Transfer (CST) for 2014–15 and subsequent years.</p>

EUROPEAN UNION		
Commitment/Timeframe	Objectives	Update on Progress
Implement the common budgetary framework to ensure a continuous reduction of Member States' budget deficits.	<p>-Pursue a differentiated fiscal consolidation, taking into account country-specific fiscal and macro-financial risks.</p> <p>-Putting emphasis on growth-friendly composition of consolidation: Pursue an expenditure-based consolidation while prioritizing public spending towards investments in human capital, research and innovation.</p>	<p>-Conditional on the current macroeconomic forecast, the current fiscal consolidation strategy would allow achieving a budget deficit of 3 per cent of GDP for the euro area aggregate and 3½ per cent of GDP for the EU in 2012. The deficits would then decline to below 1 per cent of GDP in the EU and to ¾ per cent of GDP in the euro area in 2015. This consolidation path would contribute to stabilising the increase in government debt-to-GDP ratio in 2013 and to putting it on a declining path afterwards. In case of economic shocks, the flexibility embedded in the Stability and Growth Pact allows modulating the consolidation.</p> <p>-Ongoing.</p>
FRANCE		
Commitment/Timeframe	Objectives	Update on Progress
France commits to reduce its deficit to 4.5 per cent in 2012 and to 3 per cent in 2013, balance its budget by 2017.	Increase fiscal sustainability through mid-term fiscal consolidation	Corrective measures will be taken in the event of deviations, as identified by a report of the independent Court of Auditors available by the end of June.
Adopt a tax reform in a supplementary budget law this summer and reduce the least efficient tax expenditures and social security exemptions.	Ensure short term public finances objective are met by increasing public revenues as needed while reducing inequalities and avoiding adverse effects on growth.	
Complement the budget law for 2013 with a multi-year budget law this autumn.	Secure mid-term public finances objectives by defining governance rules over the five years of the parliamentary term.	

<p>Launch a global consultation with the social partners on the pension system this summer in a sustainable and balanced financial framework.</p>	<p>Ensure the sustainability and fairness of the pension system in the middle run.</p>	<p>The on-going reform to allow workers who started their professional life early and have reached the required contributory period to retire at the age of 60 will be integrally financed. Both legal age of entitlement (62) and age of entitlement to a full pension (67) remain unchanged for other workers. The COR (Pension advisory Council) is reviewing the financial situation of the pension system till 2018 and beyond.</p>
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GERMANY

Commitment/Timeframe	Objectives	Update on Progress
<p>Increase fiscal sustainability in accordance with the G-20 Toronto commitment. From 2014 onwards, general government budget will be balanced. General gross government debt-to-GDP ratio will decrease from 83.2 per cent (2010) to 76 per cent (2015). Reduce the structural general government deficit to a maximum of 0.5 per cent of GDP by 2012 and in the medium-term (German medium-term objective according to the EU Stability and Growth Pact).</p>	<p>At least halve the fiscal deficit. Stabilize or reduce public debt ratio. Achieve a structurally balanced general government budget.</p>	<p>Consolidation progress fully on track: in 2011 general government deficit decreased from 4.3 per cent in 2010 to 1.0 per cent of GDP and general government debt ratio (Maastricht) decreased to 81.2</p>

ITALY		
Commitment/Timeframe	Objectives	Update on Progress
Full implementation of the fiscal consolidation strategy and strengthening of the fiscal framework, in order to ensure sound public finances and reinforce the credibility of the fiscal framework.	<p>a) Achievement of a structural balanced budget and a rapidly declining debt-to-GDP ratio.</p> <p>b) Introduction and implementation of the balanced budget rule in the Constitution.</p>	<p>a) In December 2011, a supplementary fiscal package worth 1.3 per cent of GDP was approved, bringing the total fiscal consolidation approved in second semester to about 5 per cent of GDP. The supplementary package also introduced measures that are structural (a landmark reform of the pension system), growth-friendly (shift of taxation from production to unearned income, reduction of the tax wedge on labour) and equitable (fight against tax evasion). Therefore, the net borrowing is expected to be significantly below 3 per cent of GDP in 2012 and the medium-term objective, a balanced budget in structural terms, is expected to be achieved in 2013. The debt-to- GDP ratio is set to decline accordingly, starting in 2013.</p> <p>b) Approved through Constitutional Law n.1/2012 (dated April 2012). By February 2013, adoption of the implementing legislation.</p>

JAPAN		
Commitment/Timeframe	Objectives	Update on Progress
<p>For the national and local governments' primary balance, the deficit ratio to GDP shall be halved from the ratio in FY 2010 by FY 2015 at the latest, and the surplus shall be achieved by FY 2020 at the latest. From FY 2021, a stable reduction in the ratio of public debt to GDP for both national and local governments shall be maintained.</p> <p>Flesh out the "Definite Plan for the Comprehensive Reform of Social Security and Tax" which sets out policies including gradual increase in the consumption tax to 10 per cent by the middle of 2010's and submit the bills by the end of FY2011 to realize these policies.</p>	Fiscal consolidation	<p>Aiming at simultaneous achievement of securing stable resources for social security and consolidating public finances, the Cabinet decided on "the Outline of the Comprehensive Reform of Social Security and Tax" that includes the staged increase of the consumption tax (from 5 per cent to 8 per cent in April 2014, and to 10 per cent in October 2015) on 17 February, and submitted the requisite bill on tax reform to the Diet on 30 March of FY 2011.</p>
<p>The Medium-term Fiscal Framework is to be formulated every year to provide fiscal framework for the subsequent three years, thereby taking measures both on revenue and expenditure sides as well as restraining the amount of new government bonds issue. (The Framework decided in August 2011 covers the three-year period between FY 2012 and FY 2014.)</p>		<p>The FY 2012 budget complied with the Medium-term Fiscal Framework decided in August 2011.</p>

<p>While implementing substantial fiscal measures for reconstruction from the earthquake, necessary fiscal resources shall be secured partly through efforts to economize on expenditures and to secure non-tax revenues. The remaining gap shall be filled by temporary taxation measures, thereby achieving fiscal sustainability. (note) The volume of these fiscal measures are estimated at least 19 trillion yen (equivalent to about 4 per cent of GDP), including fiscal measures already taken, in five years.</p>		<p>Approximately 18 trillion yen of fiscal measures for reconstruction from the earthquake has been appropriated by the first, second and third FY 2011 supplementary budgets and by the FY 2012 budget. The necessary fiscal resources were secured, not through issuances of deficit-financing bonds, but through raising individual and corporate income taxations temporarily as well as cutting expenditures and securing non-tax revenues.</p>
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KOREA		
Commitment/Timeframe	Objectives	Update on Progress
<p>Achieve balanced budget and reduce public debt to GDP ratio(2011-2015)</p>	<p>Reach balanced budget by 2013, excluding social security fund. Reduce public debt-to- GDP ratio to pre-crisis level by 2015.</p>	<p>Consolidation progress on track. In 2011, fiscal deficit and public debt to GDP ratio dropped to 1.1 per cent and 34.0 per cent, respectively.</p>
	<p>Increase revenue by streamlining exemptions & reductions under national tax exemption rate (13.4 per cent for 2012), and by expanding taxation on omitted tax bases. Expenditure cut (10 per cent) applies to projects lagging behind in performance.</p>	<p>Expanded tax revenue in line with government's taxation policy direction of 'broad base and low rates'. i) Reached national tax exemption rate of 13.7 per cent by reducing non-taxable and tax-exempt sources worth 1.3 trillion KRW in 2011. ii) Strengthening transparency of tax base. iii) Ongoing efforts to create new tax bases with outcomes such as imposing tax on new financial products (Jan 2012). Promoting expenditure efficiency including by cutting 10 per cent of budget for 145 under-performing projects after assessment of all fiscal projects of 2010.</p>
	<p>Along with these measures, the standard for fiscal statistics will be upgraded from 1986 GFS to 2001 GFS.</p>	<p>To enhance credibility of statistics, implemented 2001GFS Manual and will publish fiscal statistics under the new standard from end-2012.</p>

Prepare against risk factors of public finance (medium-term)	Prepare a long-term fiscal outlook toward 2060 by 2013, in which areas that heavily affect long-term finance (such as pension, health insurance) will be incorporated. Manage fiscal sustainability of local governments including by implementing the Local Finance Early Warning System.	Established a Long-term Fiscal Outlook Council (December 2011) Set up Local Finance Early Warning System (September 2011)
Anchor short-term recovery	Strengthen automatic fiscal stabilizers while maintaining medium-term fiscal soundness	Temporarily increase level of employment maintenance subsidies when labor market deteriorates with incidence of massive job losses (temporary shutdown, leave of absence allowance 2/3 → 3/4). Front load 60 per cent of budget in the first half of 2012 as a means for fine-tuning.

UNITED KINGDOM

Commitment/Timeframe	Objectives	Update on Progress
<p>The United Kingdom will continue to implement its planned reductions in public spending as set out in Spending Review 2010. At Autumn Statement 2011, the United Kingdom set plans for the spending restraint under the 2010 Spending Review to continue for a further two years in 2015-16 and 2016-17.</p> <p>To deliver fiscal consolidation that targets achieving cyclically adjusted current balance by the end of the rolling five-year forecast period and sets public sector net debt as a percentage of GDP on a falling path by 2015-16.</p>	<p>To return the public finances to a sustainable position, support confidence, mitigate risks to the recovery and bring down debt and debt interest payments.</p>	<p>By the end of 2011–12, almost 40 per cent of the annual fiscal consolidation planned for the Spending Review 2010 period will have been achieved. The Independent Office for Budget Responsibility forecasts that departments will exceed savings targets and deliver under-spends of c. GBP6bn in 2011–12.</p> <p>By the end of April 2012, the United Kingdom will have implemented measures to deliver almost three-quarters of the total savings expected from reforms to the welfare system.</p>

The United Kingdom will continue to take action on long-term fiscal challenges, including through accelerating the rise in the State Pension Age (SPA) from 65 to 66 and through reforms to public sector pensions.	To underpin sustainable public finances and help restore private-sector confidence and underpin sustainable economic growth.	Pension contributions increased for most public servants from April 2012, with protection for the lower paid. The United Kingdom has committed to bring forward the rise in SPA to 2020 from 2026. This will save GBP30bn between 2016-17 and 2025-26.
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UNITED STATES

Commitment/Timeframe	Objectives	Update on Progress
Identify between USD1.2 and USD1.5 trillion in additional federal deficit reduction over the period FY2013-22 to go along with the USD900 billion in agreed spending reductions included in the Budget Control Act of August 2, 2011. Work to prevent a disruptive fiscal deficit reduction in 2013 that could harm the economic recovery.	To help put the federal budget on a more sustainable path, increase national saving, and contribute to a more balanced pattern of U.S. economic growth. To prevent a sharp drop or even contraction in the pace of economic growth.	In November 2011, an additional USD1.2 trillion in federal deficit reduction over the period FY2013-22 was required as part of the Budget Control Act, to be applied through an automatic spending sequester scheduled to take effect in January 2013. The President's FY2013 Budget proposes further deficit reduction measures (including a more balanced mix of spending cuts than would occur under sequester) that would bring total deficit reduction over the next 10 years to more than USD4 trillion. These cuts would stabilize the debt-to-GDP ratio by 2015 and reduce the deficit to less than 3 per cent of GDP by FY2017. Progress concerning deficit reduction is to be assessed with respect to the U.S. federal budget, measured against a baseline that continues current tax and budget policies over the period FY2013-22. The debt-to-GDP ratio is to be measured using as the numerator federal debt held by the public. Measured against estimates that if current law prevails, the budget deficit could contract by 4 percentage points of GDP or more in 2013.

Commitment Features

The commitment is composed of two distinguishable features. First, advanced economies, taking into account different national circumstances, are called on to ensure that the pace of fiscal consolidation is appropriate to support the recovery. Second, advanced economies, in line with the Toronto commitments, will address concerns about medium term fiscal sustainability. To register full compliance, advanced countries must comply with both the pace component of this commitment and the fiscal sustainability component of this commitment. These components are referred to as sub-commitment one and sub-commitment two respectively.

To comply with sub-commitment one a G20 member must consider specific timelines for fiscal consolidation policies and discuss whether or not these timelines are appropriate to support the recovery. To comply with sub-commitment two each member country must adopt nationally differentiated fiscal policies in the medium term. These policies are outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth (see Table 1).

The advanced economies whose compliance is to be assessed and scored are: Australia, Canada, France, Germany, Italy, Japan, Korea, the United Kingdom and the United States.

Scoring Guidelines

-1	G20 member does not discuss how the pace of fiscal consolidation affects the recovery or implement nationally differentiated fiscal policies.
0	G20 member either discusses how the pace of fiscal consolidation affects the recovery or implements nationally differentiated fiscal policies.
+1	G20 member both discusses how the pace of fiscal consolidation affects the recovery and implements nationally differentiated fiscal policies.

*Co-director of Compliance: Krystel Montpetit
Lead Analyst: Elizabeth Stratton*

Australia: +1

Australia received a score of +1 for fully complying with sub-commitment one to adjust the pace of fiscal consolidation appropriate to the recovery and with sub-commitment two to adopt medium term fiscal consolidation measures.

(1) Australia earned a score of +1 for complying with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

Australia has committed itself to fiscal constraint and is expected to return the budget to balance in 2015-2016. The Government recalibrated the pace of fiscal consolidation to ensure that it does not weaken economic growth in the near term. The Government is committed to its fiscal strategy and has delivered sensible consolidations to ensure strong public finances and low unemployment levels.¹¹⁵

Australia originally planned to return to a budget surplus in fiscal year 2013.¹¹⁶ The Australian Treasurer Wayne Swan revised his projections in autumn 2012 due to a decrease in government revenue induced by lower commodity prices. The government intends to find additional savings in spending to meet its targets instead of the lost taxation revenue.¹¹⁷ Lower levels of government spending will further slow economic growth. However Australia's growth mainly depends on commodity exports and is inexorably linked to commodity price fluctuations.¹¹⁸

Australia earned a score of +1 for complying with sub-commitment one by adjusting its fiscal consolidation plan according to growth prospects.

¹¹⁵ Budget 2013-2014, Government of Australia. (Sydney). Date of Access: 27 June 2013. http://www.budget.gov.au/2013-14/content/bp1/html/bp1_bst3-01.htm

¹¹⁶ Australia says deficit reduction plan at risk, Taipei Times (Taipei) 25 September 2012. Date of Access: 15 January 2013. <http://www.taipetimes.com/News/biz/archives/2012/09/25/2003543583>.

¹¹⁷ Australia says deficit reduction plan at risk, Taipei Times (Taipei) 25 September 2012. Date of Access: 15 January 2013. <http://www.taipetimes.com/News/biz/archives/2012/09/25/2003543583>.

¹¹⁸ World Economic Outlook Update, IMF (Washington) 23 January 2013. Date of Access: 31 January 2013. <http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf>.

(2) Australia achieved a score of +1 for full compliance with sub-commitment two. Australia reduced the federal net debt and returned the budget to a surplus.

Australia is on track to decrease the federal net debt. The Government's medium-term fiscal strategy is to achieve budget surpluses. To ensure the recovery, the Government is committed to allow the level of tax receipts to recover naturally as the economy improves and to build growing surpluses by holding real growth in spending to 2 per cent a year. The budget is expected to balance in 2015-2016 and surpluses will increase from 2016-2017.¹¹⁹

Projections of the federal net debt show that debt levels reached their peak in fiscal year 2011-2012 at 9.6 per cent of GDP and that net debt will decrease to 7.3 per cent of GDP by 2015-2016.¹²⁰ The underlying cash surplus is projected to equal AUD1.1 billion or 0.1 per cent of GDP in 2012-2013. The surplus is estimated to increase to AUD2.2 billion by 2013-2014.¹²¹

Australia received a score of +1 for full compliance with sub-commitment two. The Australian budget for fiscal year 2012-2013 shows that Australia will achieve its medium-term nationally differentiated fiscal goals outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

Australia received a cumulative score of +1 for fully complying with both sub-commitments of the fiscal consolidation commitment.

Analysts: Yining Ji and Elizabeth Stratton

Canada: +1

Canada received a score of +1 for fully complying with sub-commitment one to adjust the pace of fiscal consolidation appropriate to the recovery and with sub-commitment two to adopt medium term fiscal consolidation measures.

(1) Canada earned a score of +1 for complying with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

Canada revised its fiscal consolidation timelines to reflect a decrease in income induced by lower commodity prices.¹²² The Canadian Budget 2010 announced original targets for decreasing government spending and Budget 2011 outlined cuts to achieve CAD4 billion in savings until fiscal year 2014-2015.¹²³ Canadian Finance Minister Jim Flaherty announced that the government

¹¹⁹ Budget 2013-2014, Government of Australia (Sydney). Date of Access: 27 June 2013. http://www.budget.gov.au/2013-14/content/bp1/html/bp1_bst3-01.htm

¹²⁰ Budget 2012-2013, Government of Australia (Sydney) 22 October 2012. Date of Access: 29 December 2012.

<http://www.budget.gov.au/2012-13/content/myefo/html/index.htm>

¹²¹ Budget 2012-2013, Government of Australia (Sydney) 22 October 2012. Date of Access: 29 December 2012.

<http://www.budget.gov.au/2012-13/content/myefo/html/index.htm>

¹²² Falling revenues slowing deficit reduction plan, Flaherty says, CTVnews (Toronto) 13 November 2012. Date of Access: 15 January 2013. <http://www.ctvnews.ca/canada/falling-revenues-slowing-deficit-reduction-plan-flaherty-says-1.1035918#ixzz2KaG1XkhU>.

¹²³ Update on Progress, Deficit Reduction Plan Office of the Information Commissioner of Canada (Ottawa) 29 January 2013. Date of Access: 31 January 2013. http://www.oic-ci.gc.ca/eng/abu-ans_cor-inf-inf-cor_drap-pard.aspx.

will delay its return to a balanced budget by one year until 2015-2016 due to lower taxation revenues.¹²⁴

The new Canadian Budget 2013 attempts to close tax loopholes and enforce tax compliance in an effort to raise CAD6.7 billion in additional revenue over the course of the next 6 six years.¹²⁵ As it stands now however Canada is projected to miss its annual deficit targets in each of the next four years.¹²⁶ The current federal deficit is CAD25.9 billion. The Canadian government hopes to have a CAD800 million surplus by 2015, just in time for the next election.¹²⁷

Canada received a score of +1 for full compliance with sub-commitment one by adjusting the pace of fiscal consolidation according to growth considerations.

(2) Canada achieved a score of +1 for full compliance with sub-commitment two. Canada identified sources of annual savings from governmental departments, adjusted the Public Service Pension Plan and altered the future growth path of transfers to provinces and territories.

Canada committed to three policy actions to address medium-term fiscal sustainability. The first commitment was to identify annual savings from a departmental review to facilitate a return to a balanced budget. Canada exceeded the target of 5 per cent annual savings in fiscal year 2011-2012.¹²⁸

On 13 November 2012, the Government of Canada released a fiscal update that projected a deficit of CAD26 billion or 1.4 per cent of GDP in the fiscal year 2012-2013.¹²⁹ The new projected deficit is larger than in the previous forecast by CAD5 billion. Consequently the return to a balanced budget may be delayed until fiscal year 2015-2016; one additional year than previously expected. The adjustment to the deficit forecast was caused by lower commodity prices.¹³⁰

Concerns over the current method the Conservative government is using to reduce the current deficit have been expressed by Canadian government opposition leaders. Opposition leaders criticised the 2013 Budget as a “minimalist” budget that is too focused on reducing the federal deficit versus addressing the challenges Canadians face, for example the low levels of youth

¹²⁴Update on Progress, Deficit Reduction Plan Office of the Information Commissioner of Canada (Ottawa) 29 January 2013. Date of Access: 31 January 2013. http://www.oic-ci.gc.ca/eng/abu-ans_cor-inf-inf_cor_drap-pard.aspx.

¹²⁵Budget 2013: Focus on jobs training infrastructure (Ottawa) 22 March 2013. Date of Access: 20 June 2013. <http://www.ctvnews.ca/politics/budget-2013/budget-2013-focus-on-jobs-training-infrastructure-1.1205592#ixzz2XEyCkXXs>.

¹²⁶Falling revenues slowing deficit reduction plan, Flaherty says, CTVnews (Toronto) 13 November 2012. Date of Access: 15 January 2013. <http://www.ctvnews.ca/canada/falling-revenues-slowing-deficit-reduction-plan-flaherty-says-1.1035918#ixzz2KaG1XkhU>.

¹²⁷Budget 2013: Focus on jobs training infrastructure (Ottawa) 22 March 2013. Date of Access: 20 June 2013. <http://www.ctvnews.ca/politics/budget-2013/budget-2013-focus-on-jobs-training-infrastructure-1.1205592#ixzz2XEyCkXXs>

¹²⁸ Policy Commitments by G20 Members, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/summits/2012loscabos.html>.

¹²⁹ 2012 Federal Fiscal Update, TD Economics (Toronto) 13 November 2012. Date of Access: 1 January 2013. http://www.td.com/document/PDF/economics/budgets/fed2012_fiscal_update.pdf.

¹³⁰ Fiscal update showing larger deficit puts federal government promises in doubt, Global News (Toronto) 13 November 2012. Date Access: 1 January 2013.

<http://www.globalnews.ca/fiscal+update+showing+larger+deficit+puts+federal+government+promises+in+doubt/6442752860/story.html>.

employment. Efforts to address these challenges are made through programs such as the new Canada Job Grant. The Canada Job Grant aims to match “unemployed Canadians with more than 220,000 current job vacancies across Canada.”¹³¹ Finance Minister Jim Flaherty describes this challenge as the biggest impediment challenging Canada’s economic growth. While the Canada Job Grant is considered one of the cornerstones of the 2013 Budget by the Conservative leaders, Canadian opposition leaders state that the current budget efforts that are “too little, too late.”¹³²

The International Monetary Fund equally adds concern to the current Canadian budget plan stating that “the government should be prepared to provide additional spending to promote growth and social programs when needed [to promote better economic growth].”¹³³ Additionally, both the Organization for Economic Co-operation and Development and the multinational forecasting group have reduced their expectations on Canada’s economic growth in 2014.¹³⁴

The second policy commitment made by the Canadian government was to adjust the Public Service Pension Plan. Reforms to the pension system, outlined in The Jobs and Growth Act 2012, came into effect on 1 January 2013. The measures will bring “federal employee pension contributions more in line with the private sector by introducing a 50-50 cost sharing model for pension plan members.” The new contributions model will fully come into effect in 2017. The Act also increases the retirement age from 60 to 65 years.¹³⁵ Furthermore, the Pension Reform Act increases the age of retirement for Members of Parliament from 55 to 65 as of 1 January 2016. Members of Parliament will also pay 50 per cent of the pensions plan’s cost. Over the next five years, these reforms are expected to generate an estimated CAD2.6 billion.¹³⁶

The third policy commitment was to increase the sustainability of future transfers to provinces and territories. The government adopted a plan to replace the Canada Health Transfer’s (CHT) current annual growth rate of 6 per cent with a new funding formula tied to a “three-year moving average of nominal GDP growth” in fiscal year 2017-2018. In addition, by fiscal year 2014-2015 provincial and territorial CHT funds “will be allocated on an equal per capita cash basis only.”

¹³¹Budget 2013: Focus on jobs training infrastructure (Ottawa) 22 March 2013. Date of Access: 20 June 2013. <http://www.ctvnews.ca/politics/budget-2013/budget-2013-focus-on-jobs-training-infrastructure-1.1205592#ixzz2XEyCkXXs>

¹³²Budget 2013: Focus on jobs training infrastructure (Ottawa) 22 March 2013. Date of Access: 20 June 2013. <http://www.ctvnews.ca/politics/budget-2013/budget-2013-focus-on-jobs-training-infrastructure-1.1205592#ixzz2XEyCkXXs>

¹³³OECD reduces estimates for Canadian economy: says growth will lag US, (Ottawa) 29 May 2013. Date of Access: 20 June 2013. <http://www.ctvnews.ca/canada/oecd-reduces-estimates-for-canadian-economy-says-growth-will-lag-u-s-1.1301752#ixzz2XExMfhhy>

¹³⁴OECD reduces estimates for Canadian economy: says growth will lag US, (Ottawa) 29 May 2013. Date of Access: 20 June 2013. <http://www.ctvnews.ca/canada/oecd-reduces-estimates-for-canadian-economy-says-growth-will-lag-u-s-1.1301752#ixzz2XExMfhhy>

¹³⁵Harper Government Marks New Year with Historic Pension Reforms, Canada’s Economic Action Plan (Ottawa) 1 January 2013. Date of Access: 2 January 2013. <http://www.actionplan.gc.ca/en/news/harper-government-marks-new-year-historic-pension>.

¹³⁶Pensions of Public Servants and Parliamentarians, Canada’s Economic Action Plan. (Ottawa) Date of Access: 20 June 2013. <http://actionplan.gc.ca/en/initiative/pensions-public-servants-and-parliamentarians>.

This measure will reduce transfer funds to provinces and territories that previously received more funds on the basis of greater need for federal support.¹³⁷

In addition to the CHT funds, “the federal government provides transfers to the provinces and territories in support of education, child care and social services through the Canada Social Transfer (CST).”¹³⁸ The government has passed legislation “to continue the 3 [per cent] escalator for the CST for 2014-15 and subsequent years” with a review over fund allocations in 2024.¹³⁹ In an effort to ensure that Canadians across Canada have access to comparable programs and services, relative to the levels of taxation, the Economic Action Plan 2013 “commits to introduced legislation to implement the Government’s commitments related to transfer renewal and growth in the Equalization” and Territorial Formula Financing programs.¹⁴⁰

Canada received a score of +1 for full compliance with sub-commitment two. Canada successfully adopted the three medium term nationally differentiated fiscal policies outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

Canada earned a cumulative score of +1 for fully complying with both sub-commitments of the fiscal consolidation commitment.

Analyst: Atena Sadegh

France: -1

France received a score of -1 for not complying with sub-commitment one to adjust the pace of fiscal consolidation appropriate to the recovery and for partially complying with sub-commitment two to adopt medium term fiscal consolidation measures.

(1) France earned a score of -1 for noncompliance with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

France has not adjusted the deficit reduction plan despite stagnant growth for three quarters in a row.¹⁴¹ France remains committed to a plan to decrease the deficit by 3 per cent of GDP in 2013,

¹³⁷A “Less Is More” Approach to Canadian Health Care: Reformulating the Canada Health Transfer, Ottawa Life (Ottawa) 21 November 2012. Date of Access: 28 December 2012. <http://www.ottawalife.com/2012/11/a-less-is-more-approach-to-canadian-health-care-reformulating-the-canada-health-transfer/>.

¹³⁸Federal Support for Health Care et to Grow from Record Levels in 2013-14, Health Canada, 1 April 2013. Date of Access: 20 June 2013. http://www.hc-sc.gc.ca/ahe-asc/media/nr-cp/_2013/2013-40-eng.php

¹³⁹Putting Transfers on a Long-term, Sustainable Growth Track. Canada’s Economic Action Plan, (Ottawa) Date of Access: 20 June 2013. <http://actionplan.gc.ca/en/initiative/putting-transfers-long-term-sustainable-growth>

¹⁴⁰Putting Transfers on a Long-term, Sustainable Growth Track. Canada’s Economic Action Plan, (Ottawa) Date of Access: 20 June 2013. <http://actionplan.gc.ca/en/initiative/putting-transfers-long-term-sustainable-growth>

¹⁴¹France to stick to deficit plan, Financial Times (Washington) 19 August 2012. Date of Access: 15 January 2013. <http://www.ft.com/cms/s/0/5535b3e8-ea0b-11e1-ad39-00144feab49a.html#axzz2KaPREho7>.

which is based on targets made under Former President Nicolas Sarkozy.¹⁴² In order to meet this deficit reduction target, France requires an additional EUR33 billion in savings.¹⁴³

President François Hollande remains wedded to this target despite his electoral campaign that hinged on fighting the implementation of severe austerity measures in Europe at the expense of growth. The government's emphasis on increasing taxation revenue may further compromise economic growth.¹⁴⁴

Recently, however, the French government has changed courses and is more committed to increasing spending cuts versus increasing taxation.¹⁴⁵

France earned a score of -1 for noncompliance with sub-commitment one.

(2) France received a score of 0 for partially complying with sub-commitment two.

France reduced the deficit in 2012 and launched a global consultation on the pension system. However the French Government failed to adopt a multi-year budget law and failed to pass any tax reforms.

France committed to four policy actions to address medium-term fiscal sustainability. The first policy commitment was to reduce the deficit. France reduced the gross public debt by EUR14.5 billion in the third quarter of 2012, which is equal to 89.9 per cent of GDP or EUR1 818.1 billion.¹⁴⁶ The deficit decreased to 4.5 per cent of GDP in 2012.¹⁴⁷ French Minister of Finance Pierre Moscovici maintains that France is on track to achieve a deficit of 3 per cent of GDP in 2013.¹⁴⁸

By April 2013 however it is widely acknowledged that France will break its promise “to bring its deficit down to 3 [per cent] of output in 2013.” France is requesting one extra year to accomplish

¹⁴²France to stick to deficit plan, Financial Times (Washington) 19 August 2012. Date of Access: 15 January 2013. <http://www.ft.com/cms/s/0/5535b3e8-ea0b-11e1-ad39-00144feab49a.html#axzz2KaPREho7>.

¹⁴³France to stick to deficit plan, Financial Times (Washington) 19 August 2012. Date of Access: 15 January 2013. <http://www.ft.com/cms/s/0/5535b3e8-ea0b-11e1-ad39-00144feab49a.html#axzz2KaPREho7>.

¹⁴⁴ France budget: Taxes favoured over spending cuts, BBC news (London) 28 September 2012. Date of Access: 15 January 2013. <http://www.bbc.co.uk/news/world-europe-19754016>.

¹⁴⁵France relaxes budget targets, Financial Times (Paris), 17 April 2013. Date of Access: 20 June 2013. <http://www.ft.com/intl/cms/s/0/633a31ce-a740-11e2-9fbc-00144feabdc0.html#axzz2XFdGLEtl>

¹⁴⁶ At the end of Q3 2012, the public debt reaches 1 818.1 billion euros, National Institute of Statistics and Economic Studies (Paris) 27 December 2012. Date of Access: 30 December 2012. <http://www.insee.fr/en/themes/info-rapide.asp?id=40&date=20121227>.

¹⁴⁷New French Budget Focuses on Slicing Deficit, New York Times (New York) 28 September 2012. Date of Access: 30 December 2012. http://www.nytimes.com/2012/09/29/world/europe/hollandes-new-budget-focuses-on-cutting-frances-deficit.html?_r=0&pagewanted=print.

¹⁴⁸La dette publique de la France diminue, Gouvernement de France (Paris) 27 December 2012. Date of Access: 30 December 2012. <http://www.gouvernement.fr/gouvernement/la-dette-publique-de-la-france-diminue>.

this target. Nonetheless, taking into account its weak economy, “France set its headline 2017 public deficit target at 0.7 [per cent] of output, up from an earlier goal of 0.3 [per cent].”¹⁴⁹

The second policy commitment was to eliminate the least efficient tax expenditures and social security exemptions through tax reform in a supplementary budget law during the summer. On 28 December 2012, the French Senate rejected the 2013 budget law introduced by President François Hollande.¹⁵⁰ The 2013 budget law proposed several tax reforms including imposing a 75 per cent marginal tax rate on incomes above EUR1 million and a 45 per cent marginal tax rate on incomes above EUR150 000 per unit, as well as removing tax loopholes for citizens earning more than EUR10 000 per year.¹⁵¹ The budget would have increased tax revenues by EUR24 billion.¹⁵²

The IMF further noted that “the slow growth rates mean that France must make more of an adjustment in terms of increased taxes and/or social charges along with spending cuts to get the deficit down, which in turn could slow growth further.”¹⁵³ To that end, the multi-year budget plan addresses these issues.

The third policy commitment was to legislate a multi-year budget law to supplement the 2013 budget. On 18 October 2012, the French Senate also rejected the 2012-2017 multi-year budget law primarily due to the budget’s focus on tax increases instead of on government spending cuts.¹⁵⁴ According to the October 2012 IMF Fiscal Monitor, France “committed to lowering the headline deficit by more than 2 percentage points of GDP over two years,” however France did not specify measures to achieve this reduction.¹⁵⁵ By April 2013, the IMF’s forecast for France was that it will fall into recession within the year “with the economy contracting by 0.1 per cent.”¹⁵⁶

¹⁴⁹Update 2-France eyes bigger-than-planned 2017 headline budget deficit, (Paris) 17 April 2013. Date of Access: 20 June 2013. <http://uk.reuters.com/article/2013/04/17/uk-france-finances-idUKBRE93G0EA20130417>.

¹⁵⁰Le Sénat rejette le projet de loi de finances 2013, Le Figaro (Paris) 28 December 2012. Date of Access: 2 January 2013. <http://www.lefigaro.fr/flash-eco/2012/11/28/97002-20121128FILWWW00694-le-senat-rejette-le-projet-de-loi-de-finances-2013.php>.

¹⁵¹ Les principales mesures fiscal du budget 2013, Le Figaro (Paris) 27 December 2012. Date of Access: 2 January 2013. <http://www.lefigaro.fr/impots/2012/09/27/05003-20120927ARTFIG00788-les-principales-mesures-fiscales-du-budget-2013.php>.

¹⁵² Le Sénat rejette le projet de loi de finances 2013, Le Figaro (Paris) 28 December 2012. Date of Access: 2 January 2013. <http://www.lefigaro.fr/flash-eco/2012/11/28/97002-20121128FILWWW00694-le-senat-rejette-le-projet-de-loi-de-finances-2013.php>.

¹⁵³IMF sees France falling into recession, (Paris) 17 April 2013. Date of Access 23 June 2013. <http://economictimes.indiatimes.com/news/international-business/imf-sees-france-falling-into-recession/articleshow/19586659.cms>

¹⁵⁴ Le Sénat retoque le budget pluriannuel 2012-2017, Le Figaro (Paris) 11 August 2012. Date of Access: 15 January 2013. <http://www.lefigaro.fr/conjoncture/2012/11/08/20002-20121108ARTFIG00363-le-senat-retoque-le-budget-pluriannuel-2012-2017.php>.

¹⁵⁵IMF Fiscal Monitor Update, International Monetary Fund (Washington) October 2012. Date of Access: 3 January 2013. <http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf><http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf>.

¹⁵⁶IMF sees France falling into recession, (Paris) 17 April 2013. Date of Access 23 June 2013. <http://economictimes.indiatimes.com/news/international-business/imf-sees-france-falling-into-recession/articleshow/19586659.cms>

On 17 April 2013, Finance Minister Pierre Moscovici announced the French government's "stability program of 2014-2017" which primarily aims at reducing spending to return to a structural balance of public accounts by 2017. Furthermore, for 2013, the law of public finance program had made an unprecedented effort of about EUR30 billion divided equally EUR10 billion expenditure savings for the first time in ten years, EUR10 billion taken from large enterprises and EUR10 billion financed by the wealthiest households. For 2014, the government has identified EUR14 billion in savings through spending cuts to which the burden will be shared by all stakeholders. The French government also claims to have identified 6 billion new recipes to close tax loopholes and crack down on tax evasion.¹⁵⁷

This plan is "a reversal of the heavy reliance on tax increases in 2012 and 2013." Mr. Holland retains that his government is "committed to budgetary responsibility to reduce France's debt burden over the medium term." In a statement made to the OECD, Mr. Holland says that "The solution to the crisis is not austerity; it is credibility, sustainability and stability."¹⁵⁸

The fourth policy commitment that France made was to initiate a global consultation on the pension system. On 20 December 2012, the Executive Board of the IMF concluded an Article IV Consultation with France on the pension system. The Executive Board commended the French government for committing to reduce the "employer's social security contribution (to reduce labor costs)" and "to make the labour market more adaptable based on the result of ongoing negotiations between the social partners."¹⁵⁹ The IMF also reported that the pension reforms "appear to have increased the participation of seniors in the labour market, with a positive impact on potential growth."¹⁶⁰

One of the main pillars in France's new stability plan is to fight against unemployment, insecurity and inequality by implementing emergency support measures of purchasing power, job security (including the transposition of the inter-professional National Accord), support for the employment of youth and elderly, etc.¹⁶¹

France received a score of 0 for partial compliance with sub-commitment two. France successfully adopted two out of four of its medium-term nationally differentiated fiscal policies as outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

France earned a cumulative score of -1 for noncompliance with sub-commitment one and partial compliance with sub-commitment two.

Analyst: Atena Sadegh

¹⁵⁷Programme de stabilité : "La spirale de la detteeststoppée", (Paris) 17 April 2013. Date of Access: 22 June 2013. <http://www.gouvernement.fr/gouvernement/programme-de-stabilite-la-spirale-de-la-dette-est-stoppee>

¹⁵⁸France relaxes budget targets, Financial Times (Paris), 17 April 2013. Date of Access: 20 June 2013. <http://www.ft.com/intl/cms/s/0/633a31ce-a740-11e2-9f8e-00144feabdc0.html#axzz2XFdGLEtI>

¹⁵⁹IMF Executive Board Concludes 2012 Article IV Consultation with France, International Monetary Fund (Washington) 21 December 2012. Date of Access: 30 December 2012. <http://www.imf.org/external/np/sec/pn/2012/pn12146.htm>.

¹⁶⁰ France: 2012 Article IV Consultation- Concluding Statement, International Monetary Fund (Washington) 29 October 2012. Date of Access: 3 January 2013. <http://www.imf.org/external/np/ms/2012/102912.htm>.

¹⁶¹Programme de stabilité : "La spirale de la detteeststoppée", (Paris) 17 April 2013. Date of Access: 22 June 2013. <http://www.gouvernement.fr/gouvernement/programme-de-stabilite-la-spirale-de-la-dette-est-stoppee>

Germany: +1

Germany received a score of +1 for fully complying with sub-commitment one to ensure that the pace of fiscal consolidation supports the recovery and with sub-commitment two to adopt nationally differentiated medium term fiscal consolidation measures.

(1) Germany earned a score of +1 for fully complying with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

Germany is ahead of schedule for meeting its fiscal consolidation targets. Though the government has not altered its fiscal consolidation timelines, Germany is “adjusting at an appropriately much slower pace.”¹⁶² There is some concern regarding lower than expected growth in 2012 due to diminished exports during the euro crisis.¹⁶³ Fiscal adjustment is expected to slow to a more modest pace over the next few years since Germany has already achieved or made significant progress towards its targets.¹⁶⁴

Germany achieved a score of +1 for fully complying with sub-commitment one.

(2) Germany committed to achieve a balanced budget from 2014 onward, to reduce the debt-to-GDP ratio to 76 per cent in 2015 and to limit the structural deficit to a maximum of 0.5 per cent of GDP by 2012.

Germany is on track to meet its fiscal consolidation targets. According to the IMF Fiscal Monitor, Germany is expected to meet the constitutionally mandated structural deficit ceiling this year.¹⁶⁵ Germany will also achieve a structurally balanced budget and stabilize its debt-to-GDP ratio at 2011 levels in 2013.¹⁶⁶

¹⁶² IMF Fiscal Monitor Update, International Monetary Fund (Washington) October 2012. Date of Access: 3 January 2013.

<http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf><http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf>

¹⁶³ 2012 GDP Figures Released: German Budget Back in Surplus Despite Slowdown, Spiegel Online International (Berlin) 15 January 2013. Date of Access: 15 January 2013.

<http://www.spiegel.de/international/business/german-shows-budget-surplus-in-2012-despite-slow-growth-a-877563.html>

¹⁶⁴ IMF Fiscal Monitor Update, International Monetary Fund (Washington) October 2012. Date of Access: 3 January 2013.

<http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf><http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf>

¹⁶⁵ IMF Fiscal Monitor Update, International Monetary Fund (Washington) October 2012. Date of Access: 3 January 2013.

<http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf><http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf>

¹⁶⁶ IMF Fiscal Monitor Update, International Monetary Fund (Washington) October 2012. Date of Access: 3 January 2013.

<http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf><http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf>

Despite slower growth in the last quarter of 2012, Germany achieved a budget surplus for the first time since before the financial crisis in 2007.¹⁶⁷ The surplus is equal to 0.1 per cent of GDP and is tied to rising levels of employment and wages.¹⁶⁸

The debt-to-GDP ratio is expected to stand at 81.5 per cent for 2012, which is two percentage points lower than originally projected.¹⁶⁹ The German Finance Ministry expects to achieve its debt-to-GDP ratio by 2015 and to reach a level of 73 per cent by 2016.¹⁷⁰

Germany received a score of +1 for full compliance with sub-commitment two. Germany successfully adopted all of its medium term nationally differentiated fiscal policies as outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

Germany is awarded a cumulative score of +1 for fully complying with sub-commitment one and sub-commitment two of the fiscal consolidation commitment.

Analyst: Elizabeth Stratton

Italy: -1

Italy received a score of -1 for not complying with sub-commitment one to adjust the pace of fiscal consolidation appropriate to the recovery and for partially complying with sub-commitment two to adopt medium term fiscal consolidation measures.

(1) Italy earned a score of -1 for noncompliance with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

Italy missed its fiscal consolidation targets due to deteriorating economic outlooks. Italy has raised its 2013 general government budget deficit target to 2.9 per cent of GDP, revised up from 1.8 percent. The target for 2014 has been lifted from 1.5 per cent of GDP to 1.7 per cent.¹⁷¹

Italy has not considered alternate timelines for fiscal consolidation to support the recovery. Under the Government of Prime Minister Mario Monti, Italy has committed to a deficit reduction plan and targets have not been significantly altered. Italian elections in late February may cause the pace of fiscal consolidation to be re-evaluated.

Italy received a score of -1 for noncompliance with sub-commitment one.

¹⁶⁷ 2012 GDP Figures Released: German Budget Back in Surplus Despite Slowdown, Spiegel Online International (Berlin) 15 January 2013. Date of Access: 15 January 2013. <http://www.spiegel.de/international/business/german-shows-budget-surplus-in-2012-despite-slow-growth-a-877563.html>.

¹⁶⁸ 2012 GDP Figures Released: German Budget Back in Surplus Despite Slowdown, Spiegel Online International (Berlin) 15 January 2013. Date of Access: 15 January 2013. <http://www.spiegel.de/international/business/german-shows-budget-surplus-in-2012-despite-slow-growth-a-877563.html>.

¹⁶⁹ Update: Germany's Budget to be Balanced in 2012, The Wall Street Journal (New York) 3 December 2012. Date of Access: 15 January 2013. <http://online.wsj.com/article/BT-CO-20121203-709259.html>.

¹⁷⁰ Update: Germany's Budget to be Balanced in 2012, The Wall Street Journal (New York) 3 December 2012. Date of Access: 15 January 2013. <http://online.wsj.com/article/BT-CO-20121203-709259.html>.

¹⁷¹ With calls for both fiscal consolidation and growth, new Italian PM avoids divisive detail, HIS. 1 May 2013. Date of Access: 27 June 2013. <http://www.ihs.com/products/global-insight/industry-economic-report.aspx?id=1065978656>

(2) Italy received a score of 0 for partial compliance with sub-commitment two to adopt nationally differentiated fiscal consolidation measures.

Italy pledged to respect its budget deficit objectives despite abolishing a property tax and dedicating more resources to an unemployment fund.¹⁷² Premier Enrico Letta promised that Italy would abide by fiscal commitments made to Europe yet he cancelled the planned tax rises worth up to EUR 6.0 billion.¹⁷³ Premier Letta also pledged a series of tax cuts to boost growth and create jobs which will lead to more than EUR 10 billion in lost revenue this year.¹⁷⁴

Italy committed to fully implementing a fiscal consolidation strategy and to strengthening the fiscal framework by achieving a structurally balanced budget, rapidly reducing the debt-to-GDP ratio and implementing a balanced budget rule in the Italian Constitution.

Medium-term structural reforms are taking place. Pension system reforms will increase the statutory retirement age of men and women working in the public sector from 65 to 66.¹⁷⁵ From 2013 onwards, all age requirements are indexed to changes in life expectancy at 65.¹⁷⁶ It is estimated that pension savings will reach EUR7.3 billion in 2014.¹⁷⁷ Ongoing expenditure reviews will take place to cut inefficient expenditures and generate savings that will allow taxes to be lowered. Italy has also taken measures to reduce tax evasion.¹⁷⁸

Despite said structural reforms, Italy has not achieved a structurally balanced budget. In addition to the supplementary fiscal budget that was approved in December 2011, the Italian government approved new measures in July 2012.¹⁷⁹ These budget measures intended to strengthen fiscal consolidation by making government spending more efficient.¹⁸⁰ Despite these measures, Italy did not achieve its projected deficit reductions. Italy aimed to effectively balance the budget by 2013 with a projected deficit of 0.1 per cent but this projection has been delayed by a year until

¹⁷² Italy Fin Min: Italian Budget to Respect EU Limits for 2013, 2014, Wall Street Journal (Aylesbury) 11 May 2013. Date of Access: 27 June 2013. <http://online.wsj.com/article/BT-CO-20130511-700832.html>

¹⁷³ Italy premier Enrico Letta tears up EUR6bn in tax rises, Financial Times (Rome) 29 April 2013. Date of Access: 27 June 2013. <http://www.ft.com/cms/s/0/246347ba-b0e6-11e2-80f9-00144feabdc0.html>

¹⁷⁴ Italy won't seek EU Extension of Budget Deficit Goal, Letta Says, Bloomberg (Rome) 1 May 2013. Date of Access: 27 June 2013. <http://www.bloomberg.com/news/2013-05-01/italy-won-t-seek-eu-extension-of-budget-deficit-goal-letta-says.html>

¹⁷⁵ Italy's Major Structural Reforms, Italian Ministry of Economy and Finance (Rome) 26 November 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁷⁶ Italy's Major Structural Reforms, Italian Ministry of Economy and Finance (Rome) 26 November 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁷⁷ Italy's Major Structural Reforms, Italian Ministry of Economy and Finance (Rome) 26 November 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁷⁸ Italy's Major Structural Reforms, Italian Ministry of Economy and Finance (Rome) 26 November 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁷⁹ Italy's Major Structural Reforms, Italian Ministry of Economy and Finance (Rome) 26 November 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁸⁰ Italy's Major Structural Reforms, Italian Ministry of Economy and Finance (Rome) 26 November 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

2014.¹⁸¹ However, in the Economic and Financial Document 2013 released in April 2013, the Italian government maintains that budget balancing will be achieved in 2013.¹⁸²

The Italian government failed to meet its commitment to rapidly decrease the debt-to-GDP ratio. The Government of Italy's debt as a percentage of GDP is expected to rise from 127 per cent in 2012 to 131.4 per cent in 2014.¹⁸³

Italy approved a Constitutional amendment in April 2012 to establish an independent body within Parliament responsible for monitoring public finances and assessing compliance with fiscal rules.¹⁸⁴ Amendments to Section V of the Constitution are yet to be made to bring local finances under the control of the national government.¹⁸⁵

Italy received a score of 0 for partial compliance with sub-commitment two. Italy adopted one out of three of its medium term nationally differentiated fiscal policies as outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

Italy earned a cumulative score of -1 for partially complying with sub-commitment one and for failing to comply with sub-commitment two

Analyst: Yining Ji

Japan: +1

Japan received a score of +1 for complying with both sub-commitments of the fiscal consolidation commitment.

Japan earned a score of +1 for complying with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to recovery.

Japan will stick to its fiscal consolidation targets to curb public debt.¹⁸⁶ Prime Minister Shinzo Abe announced he will carry on with the targets set by the previous Democratic Party- led government of halving its primary deficit by March 2016.¹⁸⁷

¹⁸¹ Italy Pushes Back Balanced Budget by 2 Years, The New York Times (New York) 18 April 2012. Date of Access: 30 December 2012. http://www.nytimes.com/2012/04/19/business/global/19iht-italybudget19.html?_r=0.

¹⁸² Economic and Financial Document 2013, Italian Ministry of Economy and Finance (Rome) 10 April 2013. Date of Access: 5 June 2013. http://ec.europa.eu/europe2020/pdf/nd/nrp2013_italy_en.pdf

¹⁸³ Government debt: General government gross financial liabilities as a percentage of GDP, OECD (Geneva) 27 November 2012. Date of Access: 30 December 2012. http://www.oecd-ilibrary.org/economics/government-debt_gov-debt-table-en.

¹⁸⁴ Italy's Strategy for Growth and Fiscal Consolidation, Italian Ministry of Economy and Finance (Rome) December 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁸⁵ Italy's Strategy for Growth and Fiscal Consolidation, Italian Ministry of Economy and Finance (Rome) December 2012. Date of Access: 4 January 2013. http://www.dt.mef.gov.it/en/analisi_programmazione_economico_finanziaria/strategia_crescita/.

¹⁸⁶ Update 1- Japan top policy panel sticks to fiscal reform targets, Reuters. 6 June 2013. Date of Access: 28 June 2013. <http://www.reuters.com/article/2013/06/06/japan-economy-fiscal-idUSL3N0EI1VS20130606>

¹⁸⁷ Abe growth wish list gets Cabinet's nod, Japan Times (Tokyo) 14 June 2013. Date of Access: 28 June 2013. <http://www.japantimes.co.jp/news/2013/06/14/national/cabinet-adopts-abes-vague-growth-budget-guidelines/#.Uc1y8x35EqE>

On 10 January 2013, the Government of Japan announced a stimulus package worth approximately USD117 billion.¹⁸⁸ Prime Minister Shinzo Abe stated in a press conference that the package is intended to aid “reconstruction and disaster prevention, and the creation of wealth through growth...and securing safety of people’s livelihood and regional revitalization” to create conditions for sustainable public finances.¹⁸⁹

Though the stimulus measures will add to government spending, Japan is currently in recession. According to the International Monetary Fund, the stimulus package in combination with further monetary easing will boost growth for at least the near term.¹⁹⁰ If the stimulus fails to create long-lasting growth, however, the package may worsen government debt levels.¹⁹¹

Japan scored +1 for complying with sub-commitment one to consider different fiscal consolidation timelines.

(2) Japan received a score of +1 for full compliance with sub-commitment two. Japan is on track to meet its primary balance goals, reformulated its medium-term Fiscal Framework and took measures to ensure fiscal sustainability while rebuilding since the earthquake.

Japan’s first policy commitment required a substantial cut in the deficit ratio to GDP and the ratio of public debt to GDP by expanding measures contained in the Definite Plan for the Comprehensive Reform of Social Security and Tax.

Japan imposed a spending cap for fiscal years 2013 to 2015 by declaring that primary balance expenses would not exceed the level established in the initial budget for the previous fiscal year.¹⁹² Japan is expected to reach its primary balance targets. Current projections show that Japan will halve the budget deficit by FY 2015 and achieve a budget surplus by 2012 due to the spending cap and increased government revenue from taxation.¹⁹³ Projected government debt will increase from 236.6 per cent of GDP in 2012 to 245 per cent of GDP in 2013, however, Japan’s commitment to stable reductions in the debt-to-GDP ratio will only come into effect in 2021.¹⁹⁴

¹⁸⁸ Japan unveils USD117 billion stimulus package, CNN (Washington) 10 January 2013. Date of Access: 15 January 2013. <http://money.cnn.com/2013/01/10/news/economy/japan-stimulus/index.html>.

¹⁸⁹ Press Conference by Prime Minister Shinzo Abe, Office of the Prime Minister and His Cabinet (Tokyo) 11 January 2013. Date of Access: 15 January 2013.

http://www.kantei.go.jp/foreign/96_abe/statement/201301/11kaiken_e.html.

¹⁹⁰ World Economic Outlook Update, IMF (Washington) 23 January 2013. Date of Access: 31 January 2013. <http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf>.

¹⁹¹ World Economic Outlook Update, IMF (Washington) 23 January 2013. Date of Access: 31 January 2013. <http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf>.

¹⁹² Medium-term Fiscal Framework (FY2013-FY2015), National Policy Unit (Tokyo) 31 August 2012. Date of Access: 3 January 2013.

http://www.npu.go.jp/policy/policy01/pdf/20110812/20110812_siryou01_en.pdf.

¹⁹³ Medium-term Fiscal Framework (FY2013-FY2015), National Policy Unit (Tokyo) 31 August 2012. Date of Access: 3 January 2013.

http://www.npu.go.jp/policy/policy01/pdf/20110812/20110812_siryou01_en.pdf.

¹⁹⁴ Japan to meet fiscal 2015 deficit targets, longer-term goals in doubt, Reuters (Tokyo) 30 August 2012. Date of Access: 3 January 2013. <http://www.reuters.com/article/2012/08/30/us-japan-economy-deficit-idUSBRE87T1NL20120830>.

The Government of Japan successfully introduced a phased increase in the consumption tax rate to 10 per cent in August 2012.¹⁹⁵

Furthermore, on 14 June 2013, the Cabinet of Prime Minister Shinzo Abe adopted two sets of economic and fiscal policy papers. Targets include a 2 per cent annual real GDP increase and maintaining it for the next 10 years while halving the primary balance deficit by 2015.¹⁹⁶

The second policy commitment was to formulate a medium-term Fiscal Framework on a yearly basis to outline fiscal projections for three years, including revenue and expenditure measures as well as restraints on issuing new government bonds.

On 31 August 2012, Japan revised the medium-term Fiscal Framework for 2013 to 2015 in line with its commitment to reformulate the framework on a yearly basis. The Framework specified a limit on the amount of newly issued government bonds in 2013 at JPY 44 trillion.¹⁹⁷

The third policy commitment made by Japan was to achieve fiscal sustainability while facilitating reconstruction from the earthquake. Japan was able to meet its budget target for fiscal year 2012 despite substantial government expenditure on reconstruction.¹⁹⁸ Earthquake-related expenditure will decrease further in 2013, which will decrease the budget deficit by 1 percentage point of GDP.¹⁹⁹

Japan received a score of +1 for full compliance with sub-commitment two. Japan successfully adopted the three medium term nationally differentiated fiscal policies outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

Japan received a cumulative score of +1 for complying with sub-commitment one to consider the effect of the pace of fiscal consolidation on the recovery and sub-commitment two to adopt nationally differentiated fiscal policies in the medium term.

Analysts: Yining Ji and Elizabeth Stratton

Korea: +1

Korea received a score of +1 for complying with sub-commitment one to adjust the pace of fiscal consolidation appropriate to the recovery and for partially complying with sub-commitment two to adopt medium term fiscal consolidation measures.

¹⁹⁵ Medium-term Fiscal Framework (FY2013-FY2015), National Policy Unit (Tokyo) 31 August 2012. Date of Access: 3 January 2013.

http://www.npu.go.jp/policy/policy01/pdf/20110812/20110812_siryou01_en.pdf.

¹⁹⁶ Abe growth wish list gets Cabinet's nod, Japan Times (Tokyo) 14 June 2013. Date of Access: 28 June 2013. <http://www.japantimes.co.jp/news/2013/06/14/national/cabinet-adopts-abes-vague-growth-budget-guidelines/#.Uc1y8x35EqE>

¹⁹⁷ Medium-term Fiscal Framework (FY2013-FY2015), National Policy Unit (Tokyo) 31 August 2012. Date of Access: 3 January 2013.

http://www.npu.go.jp/policy/policy01/pdf/20110812/20110812_siryou01_en.pdf

¹⁹⁸ Japan's 2012/2013 budget meets target with sleight of hand, Reuters (Tokyo) 23 December 2012. Date of Access: 2 January 2012.

<http://www.reuters.com/article/2011/12/24/japan-economy-budget-idUSL3E7NL37B20111224>

¹⁹⁹ The Fiscal Monitor, International Monetary Fund (Washington) 9 October 2012. Date of Access: 2 January 2013. www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf

(1) Korea earned a score of +1 for complying with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

The rate of economic growth in Korea moderated in the last months of 2012 to 2 per cent. The Government of Korea delayed the fiscal consolidation timeline in order to support growth, which is expected to increase to 3 per cent in 2013.²⁰⁰

Government spending in 2013 is front-loaded into the first half of the year to support growth. This action will be complemented with a stimulus package equal to 0.3 per cent of GDP in the second half of the year.²⁰¹ The stimulus will mainly come from government-managed funds and Public-Private Partnerships (PPPs). Though the front-loaded spending and additional stimulus measures will increase government spending, fiscal consolidation is expected to resume after growth recovers in 2013.²⁰²

Korea earned a score of +1 for sub-commitment one.

(2) Korea received a score of 0 for partially complying with sub-commitment two. Korea did not meet its deficit reduction target and only budget balancing strategies have been fully implemented. Korea has not yet produced its long-term fiscal outlook, but Korea did strengthen automatic fiscal stabilizers.

The first policy commitment was to achieve a balanced budget and reduce the debt-to-GDP ratio by reducing tax exemptions and improving the standard for fiscal statistics. The 2013 Budget Proposal indicates that Korea will be unable to meet its commitment to balance the budget by 2013 and will have a budget deficit 0.3 per cent GDP. The debt-to-GDP ratio will decrease from 34 per cent of GDP in 2012 to 33.2 per cent of GDP in 2013.

The 2012 Tax Revision Bill projected that the government would collect net tax revenues of KRW1.66 trillion. The Government of Korea increased tax revenue by reducing tax credits for job creation investment, increasing taxes on financial incomes, introducing a tax on derivatives transactions, and removing the tax exemption for workers' tax-free assets savings and long-term funds, tax deductions for transportation fares and the earned income tax credit.²⁰³ The Korean Ministry of Strategy and Finance also announced that local governments will not be allowed to pass new tax incentives.²⁰⁴ The Korean Ministry of Strategy and Finance also announced that fiscal projects will be evaluated according to certain standards and that funding will be cut from projects that are underperforming.

Korea has not yet updated the standard for fiscal statistics from 1986 GFS to 2001 GFS.

The second policy commitment was to prepare a long-term fiscal outlook to 2060. Korea has not yet produced the long-term fiscal outlook however the deadline is not until the end of 2013.

²⁰⁰ World Economic Outlook Update, IMF (Washington) 23 January 2013. Date of Access: 31 January 2013. <http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf>

²⁰¹ World Economic Outlook Update, IMF (Washington) 23 January 2013. Date of Access: 31 January 2013. <http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf>

²⁰² The Fiscal Monitor, International Monetary Fund (Washington) 9 October 2012. Date of Access: 2 January 2013. www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf.

²⁰³ Tax Revision Bill, 2012, Korean Ministry of Strategy & Finance (Seoul) 10 August 2012. Date of Access: 15 January 2013. <http://english.mosf.go.kr/pre/press.do?bcd=N0001>.

²⁰⁴ Economic Policies, Second Half of 2012, Korean Ministry of Strategy & Finance (Seoul) 28 June 2012. Date of Access: 15 January 2013. <http://english.mosf.go.kr/pre/press.do?bcd=N0001>.

Korea began preparations for the long-term plan by organizing the fifth long-term fiscal plan meeting and formed committees to review spending projections.²⁰⁵

The third policy commitment was to cement the short-term recovery through sustainable efforts to strengthen automatic fiscal stabilizers. Korea increased the level of employment maintenance subsidies during periods of high unemployment.²⁰⁶

Korea received a score of 0 for partial compliance with sub-commitment two. Korea successfully fulfilled one policy commitment, initiated another commitment and took some action on the final commitment. Korea partially adopted its medium-term nationally differentiated fiscal policies as outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

Korea received a cumulative score of +1 for complying with sub-commitment one to consider the effect of the pace of fiscal consolidation on the recovery and for partially implementing nationally differentiated fiscal policies in the medium term.

Analysts: Lucy Lu and Elizabeth Stratton

United Kingdom: +1

The United Kingdom received a score of +1 for fully complying with sub-commitment one to consider the pace of consolidation in relation to growth prospects and with sub-commitment two to adopt nationally differentiated fiscal commitments in the medium term.

(1) The United Kingdom earned a score of +1 for complying with sub-commitment one.

The United Kingdom revised its projected budget deficit reductions due to lower than expected growth.²⁰⁷ The British economy contracted by 0.1 per cent in 2012. Consequently Chancellor of the Exchequer George Osborne delayed debt reduction targets. Public debt as a percentage of GDP is now projected to begin falling in fiscal year 2015-2016.²⁰⁸ According to The Office for Budgetary Responsibility, the United Kingdom will likely eliminate the structural current deficit in five years, effectively extending the previous deadline by one year to the fiscal year 2017-2018.²⁰⁹ Some economists have expressed concern regarding the credibility of extended deficit reduction plans if growth does not significantly increase.²¹⁰

The United Kingdom earned a score of +1 for ensuring that the pace of fiscal consolidation reflects growth concerns.

²⁰⁵ The 5th 2011-2060 Long-Term Fiscal Plan Meeting, Korean Ministry of Strategy & Finance (Seoul) 6 November 2012. Date of Access: 15 January 2013, <http://english.mosf.go.kr/pre/press.do?bcd=N0001>.

²⁰⁶ Policy Commitments by G20 Members, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/summits/2012loscabos.html>.

²⁰⁷ IMF Fiscal Monitor Update, International Monetary Fund (Washington) October 2012. Date of Access: 3 January 2013. <http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf><http://www.imf.org/external/pubs/ft/fm/2012/02/pdf/fm1202.pdf>.

²⁰⁸ Autumn Statement: Benefit squeeze as economy slows, BBC (London) 5 December 2012. Date of Access: 15 January 2013. <http://www.bbc.co.uk/news/uk-politics-20600442>.

²⁰⁹ Autumn Statement: Benefit squeeze as economy slows, BBC (London) 5 December 2012. Date of Access: 15 January 2013. <http://www.bbc.co.uk/news/uk-politics-20600442>.

²¹⁰ Weak economy undermines public finances again, Citi Research (London) 7 December 2012. Date of Access: 15 January 2013. https://ir.citi.com/KNMrlY2jWoL3Yh3dtmDLP6t4q_per cent2BLHZuejWyy0Sv2DH3PA_per cent2FFFYFVbGDg_per cent3D_per cent3D.

(2) The United Kingdom achieved a score of +1 for full compliance with sub-commitment two. The United Kingdom reduced spending, implemented pension reforms and appears on track to meet debt reduction targets.

The United Kingdom made two policy commitments at the Los Cabos Summit. The United Kingdom committed to increasing government spending cuts to meet debt targets and further reform to the pension system.

The first commitment was to decrease government spending and public sector debt. The United Kingdom continued to implement reductions in government spending as outlined in the 2010 Spending Review.²¹¹ Public sector net borrowing was GBP5 billion lower than forecast in the Budget 2012 for 2011-12. The United Kingdom is projected to meet its debt reduction goals as public sector net debt as a percentage of GDP is expected to decrease in 2015-2016.

The second commitment was to further reform the pension system. On 14 January 2013 British Minister of Pensions Steve Webb published a white paper to replace the current pensions system with a flat-rate pension equal to approximately GBP144 per week.²¹² Spending on pensions under the new system will still increase from the current 6.9 per cent of GDP to 8.1 per cent of GDP in 2060. However under the previous system spending would have reached 8.5 per cent of GDP in 2060.²¹³

The previous Labour Government outlined plans to gradually raise the state pension age however the current Coalition Government accelerated the pace of said increases. The state pension age for women will rise to 65 by 2018. The government accelerated the increase in the state pension age for men and women to 66 years old starting in 2020 in May 2010.²¹⁴ Plans to increase the state pension age to 67 for men and women in 2026 were confirmed in the Queen's Speech in May 2012.²¹⁵ The 2012 Budget confirmed that the British Government will index the state pension age to life expectancy, likely causing the state pension age to exceed 70.²¹⁶

The United Kingdom received a score of +1 for full compliance with sub-commitment two. The United Kingdom is on track to achieve its medium term nationally differentiated fiscal goals outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

The United Kingdom received a cumulative score of +1 for fully complying with both sub-commitments of the fiscal consolidation commitment.

²¹¹ Economic and Fiscal Outlook, Office for Budget Responsibility (London) December 2012. Date of Access: 15 January 2013. <http://budgetresponsibility.independent.gov.uk/economic-and-fiscal-outlook-december-2012/>.

²¹² Pensions overhaul could hit public sector workers hardest, The Guardian (London) 14 January 2013. Date of Access: 15 January 2013. <http://www.guardian.co.uk/money/2013/jan/14/pensions-public-sector-workers?intcmp=239>.

²¹³ Single-tier pension, Department of Work and Pensions (London) 14 January 2013. Date of Access: 15 January 2013. <http://www.dwp.gov.uk/policy/pensions-reform/state-pension/>.

²¹⁴ New state pension age: when will you retire?, This is money (London) 14 January 2013. Date of Access: 15 January 2013. <http://www.thisismoney.co.uk/money/pensions/article-1679780/New-state-pension-age-retire.html#axzz2KKWhmlMj>.

²¹⁵ New state pension age: when will you retire?, This is money (London) 14 January 2013. Date of Access: 15 January 2013. <http://www.thisismoney.co.uk/money/pensions/article-1679780/New-state-pension-age-retire.html#axzz2KKWhmlMj>.

²¹⁶ 2012 Budget, Department of the Treasury (London) 21 March 2012. Date of Access: 15 January 2013. <http://www.hm-treasury.gov.uk/budget2012.htm>.

United States: 0

The United States received a score of 0 for partially complying with sub-commitment one to consider the pace of consolidation in relation to growth prospects as well as partially complying with sub-commitment two to adopt nationally differentiated fiscal commitments in the medium term.

(1) The United States earned a score of 0 for partial compliance with sub-commitment one.

The United States considered different timelines for fiscal consolidation; however the adjustments to the pace of consolidation can mainly be attributed to the failure of the Democrats and the Republicans to agree on deficit reduction plans and the ensuing imposition of automatic measures.

The automatic tax increases and spending cuts that were scheduled to come into effect on 1 January 2013 were put in place after Congress failed to agree on deficit reduction measures when the debt ceiling was raised.²¹⁷ The measures were intended as a last resort if Congress could not once more reach agreement on plans to achieve fiscal consolidation. The “fiscal cliff” expected to push the United States into recession was averted with a last-minute deal passed on the day the measures were supposed to come into effect.²¹⁸

Though the avoidance of severe fiscal consolidation measures improved growth prospects in the United States, the “fiscal cliff” was designed as an ultimatum to policymakers. The final deal attempted to mitigate the worst impacts on economic growth rather than carefully weigh different timelines for consolidation against growth projections.²¹⁹ Furthermore American policymakers have yet to resolve the questions of the impending spending sequester and the expiration of appropriation bills. The United States government will reach the debt ceiling again in March 2013 and questions regarding the timeline for longer-term deficit reduction are still unresolved.²²⁰

The United States is awarded a score of 0 because though different timelines for fiscal consolidation have been considered, changes to the pace of fiscal consolidation appear to have been first and foremost motivated by partisan politics instead of economic considerations.

(2) The United States received a score of 0 for partial compliance with sub-commitment two.

The United States committed to reducing the federal deficit, decreasing government spending and preventing the fiscal deficit reduction process from being disruptive to the economy.

The United States introduced a variety of fiscal consolidation measures to reduce the deficit. On 1 January 2013, President Barack Obama increased the tax rate for individuals with incomes greater than USD400,000 and for couples earning more than USD450,000. The new law also increases the top income tax rate to 39.5 per cent from a previous rate of 35 per cent, which is expected to

²¹⁷ Obama signs bill warding off fiscal cliff, CNN (Washington) 3 January 2013. Date of Access: 3 January 2013. <http://www.cnn.com/2013/01/02/politics/fiscal-cliff/index.html>.

²¹⁸ World Economic Outlook Update, IMF (Washington) 23 January 2013. Date of Access: 31 January 2013. <http://www.imf.org/external/pubs/ft/weo/2013/update/01/pdf/0113.pdf>.

²¹⁹ Obama signs bill warding off fiscal cliff, CNN (Washington) 3 January 2013. Date of Access: 3 January 2013. <http://www.cnn.com/2013/01/02/politics/fiscal-cliff/index.html>.

²²⁰ IMF Spokesman Comments on US “Fiscal Cliff” Measures, IMF (Washington) 2 January 2013. Date of Access: 15 January 2013. <http://www.imf.org/external/np/sec/pr/2013/pr1301.htm>.

generate USD600 billion in new government revenue over ten years.²²¹ The share of Social Security taxes paid by employees was also increased by two per cent from last year²²²

The government also cut government expenditures. Automatic spending cuts across federal agencies equal to USD110 billion will come into effect in 2013 after Congress failed to agree on a ten-year fiscal consolidation plan on 1 January 2013²²³

The budget deficit for the fiscal year 2013 will be USD1.089 trillion, which is significantly smaller than previous projections forecasted.²²⁴ The deficit was equal to 7 per cent of GDP in 2012, which was 1.7 per cent lower than the 2011 deficit as percentage of GDP.²²⁵

The American Government is also making efforts through the Budget Control Act. In the Cuts, Consolidations, and Savings volume, the United States “Administration details the 210 cuts, consolidations, and savings measures that are proposed in the 2013 Budget” totalling to more than USD22 billion and USD520 billion through 2020.²²⁶ Granted that the current laws governing federal taxes and spending remain the same, “the budget deficit will shrink this year to [USD]642 billion” according to the Congressional Budget Office (CBO). This reduces the expected deficit at 4 per cent of GDP.²²⁷ This is great progress and speedy fiscal consolidation considering that the deficit “figure for 2012 was 7” per cent²²⁸

In a statement made to the IMF, Treasury Secretary Jacob Lew notes that the United States economy “has now expanded for 14 consecutive quarters [...and] private employers have added nearly six and a half million jobs over the past 37 months.” Mr. Lew further notes that the federal deficit has fallen by an average of more than one per cent point of GDP per year and that “President Obama’s Budget takes a balanced approach that build on these efforts while making targeted investments to strengthen the economic recovery, create jobs, and lay the foundation for long-term growth.”²²⁹

221 Obama signs bill warding off fiscal cliff, CNN (Washington) 3 January 2013. Date of Access: 3 January 2013. <http://www.cnn.com/2013/01/02/politics/fiscal-cliff/index.html>.

222 US Congress Avoids Fiscal Cliff, Postpones Budget Decisions. 7 January 2013. Date of Access: 7 January 2013. <http://learningenglish.voanews.com/content/us-congress-avoids-fiscal-cliff-postpones-budget-decision/1578122.html>.

223 Obama signs bill warding off fiscal cliff, CNN (Washington) 3 January 2013. Date of Access: 3 January 2013. <http://www.cnn.com/2013/01/02/politics/fiscal-cliff/index.html>.

224 Joint Statement of Secretary Geithner and OMB Deputy Director for Management Jeffrey Zients on Budget Results for Fiscal Year 2012, Treasury Department (Washington) 10 December 2012. Date of Access: 6 January 2012. <http://www.treasury.gov/press-center/press-releases/Pages/tg1734.aspx>.

225 Joint Statement of Secretary Geithner and OMB Deputy Director for Management Jeffrey Zients on Budget Results for Fiscal Year 2012, Treasury Department (Washington) 10 December 2012. Date of Access: 6 January 2012. <http://www.treasury.gov/press-center/press-releases/Pages/tg1734.aspx>.

226 Fiscal Year 2013: Cuts, Consolidations, and Savings: Budget of the U.S. Government, White House (Washington), Date of Access 20 June 2013. <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/ccs.pdf>

227 Update Budget Projections: Fiscal Year 2013 to 2023, Congress of United States Congressional Budget Office, (Washington) May 2013. Date of Access 20 June 2013. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44172-Baseline2.pdf>

228 Fiscal consolidation, American style, The Economist (Washington), 14 May 2013. Date of Access 23 June 2013. <http://www.economist.com/blogs/freeexchange/2013/05/government-borrowing>

229 Statement by Secretary Jacob J. Lew at the International Monetary Financial Committee (IMFC) Meeting, 19 April 2013, Date of Access: 23 June 2013.

The second policy commitment made by the United States was to avoid disruptions to the economy during the process of agreeing on fiscal consolidation measures. The process has been dominated by fears that the United States would go over the “fiscal cliff,” be unable to avoid a recession sparked by USD500 billion worth of automatic tax increases and spending cuts, and would default on debt payments. The high degree of uncertainty regarding whether a deal would be reached caused consumers, investors and markets to lose confidence in the American economy.²³⁰ Though the fiscal cliff was averted with a last-minute deal on 1 January 2013, uncertainty remains regarding America’s looming debt ceiling, which will be reached in March, the spending sequester and the expiration of appropriation bills, and longer term plans to reduce the deficit.²³¹

On 1 March 2013, “automatic cuts, half affecting defense spending and the remainder spread over other federal agencies, went into effect” which means that “the federal government is reducing spending by \$1.2 trillion over the next nine years, including \$85 billion over the final seven months of this fiscal year.”²³²

On 15 March 2013, Treasury Secretary Jack Lew announced that the federal debt ceiling will not need to be raised until September. Mr. Lew wrote in a letter to Congress that “was initiating “extraordinary measures” in order to restrict public debt issuance and keep the outstanding total under the legal limit for as long as possible.”²³³ Mr. Lew further states in his letter that “the effective duration of the extraordinary measures is subject to considerable uncertainty due to a variety of factors, including the unpredictability of tax receipts, changes in expenditure flows under the sequester, and the normal challenges of forecasting the payments and receipts of the U.S. government months into the future.”²³⁴

The United States received a score of 0 for noncompliance with sub-commitment two. The United States has made substantial efforts to achieve its deficit reduction targets but has allowed the fiscal consolidation process to become a disruptive force in the economy. The United States thus partially complied with its medium-term nationally differentiated fiscal goals outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

The United States received a cumulative score of 0 for partially complying with sub-commitment one and for partially complying with sub-commitment two.

Analyst: Atena Sadegh

<http://www.treasury.gov/press-center/press-releases/Pages/j11904.aspx>.

²³⁰ Demystifying the Fiscal Impasse That Is Vexing Washington, The New York Times (New York) 15 November 2012. Date of Access: 15 January 2013.

http://www.nytimes.com/2012/11/16/us/politics/the-fiscal-cliff-explained.html?pagewanted=all&_r=0.

²³¹ IMF Spokesman Comments on US “Fiscal Cliff” Measures, IMF (Washington) 2 January 2013. Date of Access: 15 January 2013. <http://www.imf.org/external/np/sec/pr/2013/pr1301.htm>.

²³² Automatic Spending Cuts Start With Few Initial Effects, (New York) 04 March 2013, Date of Access: 22 June 2013.

<http://www.bloomberg.com/news/2013-03-04/automatic-spending-cuts-start-with-few-initial-effects.html>

²³³ US wins breathing space on debt ceiling. 17 March 2013. Date of Access: 25 June 2013.

<http://www.ft.com/cms/s/0/1e34229e-bf21-11e2-a9d4-00144feab7de.html#axzz2XpEhaWyI>

²³⁴ Secretary Lew Sends Debt Limit Letter to Congress, U.S. Department of the Treasury (Washington), 17 May 2013, Date of Access 20 June 2013.

<http://www.treasury.gov/connect/blog/Pages/Secretary-Lew-Sends-Debt-Limit-Letter-to-Congress.aspx>

European Union: +1

The European Union received a score of +1 for fully complying with sub-commitment one to adjust the pace of fiscal consolidation appropriate to the recovery and for partially complying with sub-commitment two to adopt medium term fiscal consolidation measures.

(1) The European Union earned a score of +1 for complying with the first sub-commitment to ensure that the pace of fiscal consolidation is appropriate to the recovery.

The European Union shifted to an approach that emphasizes country-specific plans for fiscal consolidation.²³⁵ Within this nationally differentiated framework some individual countries have considered different timelines based on growth.

The EU received a score of +1 for complying with sub-commitment one to adjust the pace of fiscal consolidation based on growth.

(2) The European Union achieved a score of 0 for partial compliance with sub-commitment two. The European Union has yet to implement a common budgetary framework however the European Union advocated differentiated and growth-friendly consolidation.

The European Union committed to implementing a common budgetary framework to achieve continuous reductions in the budget deficits of member states. The European Union also committed to differentiate consolidation among member countries and emphasize growth-friendly consolidation strategies.

The European Union has not yet implemented a common budgetary framework however the European Union has made progress by reaching an agreement on the Multiannual Financial Framework from 2014 to 2020. The Annual Growth Survey indicates that current fiscal consolidation measures are having an effect.²³⁶ Public debt is projected to peak at 94.5 per cent in 2013 in the euro area after which debt is expected to begin to decrease.

The European Commission advocated differentiated fiscal consolidation plans for each member state. Based on the Stability and Growth Pact, a member state with an excessive budget deficit may be granted a longer period of time to amend the deficit.

The European Union also committed to creating growth-friendly consolidation. The European Economic Forecast was issued in autumn 2012 and forecasts that government spending will remain stable in the European Union and decrease slightly in the euro area in 2013. Government debt ratios in the European Union and the euro area were however projected to increase in 2012 and 2013. The gross debt for most European Union governments was expected to increase and peak at 88.6 per cent of GDP in 2014. Debt increased to 92.8 per cent of GDP in 2012 and will reach 94.5 per cent of GDP in 2013 in the euro area.²³⁷

The European Commission implemented the Financial Transaction Tax program to be applied at a regional level. The revenue generated by this program will be used to foster growth-friendly

²³⁵ Times Topic: The European debt crisis, New York Times (New York) 10 January 2013. Date of Access: 15 January 2013.

http://topics.nytimes.com/top/reference/timestopics/subjects/e/european_sovereign_debt_crisis/index.html

²³⁶ Annual Growth Survey, European Commission (Brussels) 28 November 2012. Date of Access: 15 January 2013. http://ec.europa.eu/europe2020/pdf/ags2013_en.pdf.

²³⁷ European Economic Forecast, European Commission (Brussels) 2012. Date of Access: 22 October 2012. http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-7_en.pdf.

investment and to support development in the European Union. The European Commission also took action to eliminate tax evasion and avoidance by passing the Action Plan on Tax Fraud and Evasion. This plan will allow the European Union to capture EUR1 trillion every year in public revenues. The stricter taxation was elected as an effective way to consolidate the fiscal situation in the European Union. The European Commission recommended that member states shift taxation from labour to target consumption, environmental protection or property ownership to make tax regimes more growth-friendly.

The European Union received a score of 0 for partially implementing its medium term nationally differentiated fiscal policies as outlined in the Policy Commitments Annex of the Los Cabos Action Plan for Jobs and Growth.

The European Union earned a cumulative score of +1 for complying with sub-commitment one and partially complying with sub-commitment two of the fiscal consolidation commitment.

Analysts: Lucy Lu and Elizabeth Stratton

3. Macroeconomic: Emerging Market Growth

Commitment [177]

“Emerging market members will also promote a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		n/a	
Brazil			+1
Canada		n/a	
China			+1
France		n/a	
Germany		n/a	
India			+1
Indonesia			+1
Italy		n/a	
Japan		n/a	
Korea		n/a	
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey		0	
United Kingdom		n/a	
United States		n/a	
European Union		n/a	
Average Score		+0.80	

Background

According to the World Economic Outlook Updated released by the International Monetary Fund (IMF) on 16 July 2012, emerging market economies are presently facing a number of setbacks regarding their economic development.²³⁸ In some emerging market countries, such as Brazil, China, and India, growth momentum has slowed down due to factors such as weaker domestic demand, increases in investor risk aversion, and perceived growth uncertainty.²³⁹ Although, the

²³⁸ World Economic Outlook Update, New Setbacks, Further Policy Action Needed, International Monetary Fund (Washington) 16 July 2012. Date of Access: 2 December 2012. <http://www.imf.org/external/pubs/ft/weo/2012/update/02/index.htm>.

²³⁹ World Economic Outlook Update: New Setbacks, Further Policy Action Needed, International Monetary Fund (Washington) 16 July 2012. Date of Access: 2 December 2012. <http://www.imf.org/external/pubs/ft/weo/2012/update/02/pdf/0712.pdf>.

forecasts of growth for 2013 are positive²⁴⁰, nevertheless developing economies remain vulnerable to negative external pressures.²⁴¹

On 26-27 June 2010, at the Toronto Summit, the G20 leaders affirmed the establishment of the Development Working Group (DWG) with the mandate to “elaborate, consistent with the G20’s focus, on measures to promote economic growth and resilience, a development agenda and multi-year action plans to be adopted at the Seoul Summit.”²⁴²

Recognising the potential impact of modest global recovery on emerging markets and their increasingly important role to the global economy²⁴³, G20 leaders in Los Cabos agreed to intensify their efforts in strengthening growth, financial stability and improving employment through a globally coordinated economic plan, the Los Cabos Growth and Jobs Action Plan²⁴⁴. This Plan, extending the Cannes principles, “include[s] policy measures combined with short and medium-term impacts, in order to enhance policy credibility and reflect the different capacities of countries to respond in particular areas.”²⁴⁵

Furthermore, on 31 October 2012, the World Bank in cooperation with the Organization for Economic Co-operation and Development (OECD), G24, and other international organizations, drafted and submitted a work program to the G20 Ministers and Governors that they could consider at their meeting in November 2012. The findings of this meeting will be discussed at the St. Petersburg Summit in 2013.²⁴⁶ The identified issues—diagnostic in nature—were: (1) Systemic Developments and the Impact on Investor Horizon; (2) Sources of Private Financing; (3) Sources of Risk and the Role for the Public Sector and Public Policy; (4) the Demand for Long-Term Finance.²⁴⁷

In addition, the Financial Stability Board (FSB) in coordination with the IMF, and the World Bank, drafted a Report on Potential Unintended Consequences of the Regulatory Reforms on

²⁴⁰ Better Policies for Development: Recommendations for Policy Coherence, Organization for Economic Co-operation and Development (Paris) 2011. Date of Access: 3 December 2012.
<http://www.oecd.org/development/pcd/48110465.pdf>.

²⁴¹ World Economic Outlook Update, New Setbacks, Further Policy Action Needed, International Monetary Fund (Washington) 16 July 2012. Date of Access: 2 December 2012.
<http://www.imf.org/external/pubs/ft/weo/2012/update/02/index.htm>.

²⁴² Promoting Responsible Investment for Sustainable Development and Job Creation, G20 Information Centre (Toronto) June 2012. Date of Access: 4 December 2012.
<http://g20mexico.org/images/stories/docs/canalsherpas/summarep.pdf>.

²⁴³ Better Policies for Development, Recommendations for policy Coherence, Organization for Economic Co-operation and Development (Paris) 2011. Date of Access: 3 December 2012.
<http://www.oecd.org/development/pcd/48110465.pdf>.

²⁴⁴ The Los Cabos Growth and Jobs Action Plan, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 5 December 2012.
<http://www.g20.utoronto.ca/2012/2012-0619-loscabos-actionplan.html>.

²⁴⁵ The Los Cabos Growth and Jobs Action Plan, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 5 December 2012.
<http://www.g20.utoronto.ca/2012/2012-0619-loscabos-actionplan.html>.

²⁴⁶ Long Term Investment Financing for Growth and Development, World Bank Group (Washington) 31 October 2012. Date of Access: 5 December 2012.
<http://www.g20russia.ru/load/780983973>.

²⁴⁷ Long Term Investment Financing for Growth and Development, World Bank Group (Washington) 31 October 2012. Date of Access: 5 December 2012.
<http://www.g20russia.ru/load/780983973>.

Emerging Market and Developing Economies (EMDEs). On 19 June 2012, the FSB released the Report announcing that in the light of the tightening of regulatory legislation in developed countries, EMDEs are likely to experience an array of unintended consequences.²⁴⁸

The primary identified areas of concern for the EMDEs were, among others: (1) the pressure on the capital and liquidity frameworks as defined by the Basel Committee, (2) the spillover and/or extraterritorial effects from regulatory reforms in advanced economies, (3) the perceived home bias in the design or implementation of reforms, (4) the need to reduce reliance on credit ratings and to establish stronger internal credit risk assessment practices as well as regular monitoring of the regulatory reforms, and (5) the sharing of experiences and implementation lessons.²⁴⁹

On 18-19 June 2012, at the Los Cabos Summit, the DWG released its Progress Report. The Report recognised the progress that was made in the implementation of previous agreements under the Seoul Multi-Year Action Plan (MYAP), and identified new actions that could support developing countries²⁵⁰. The G20 leaders welcomed the significant progress made since the Cannes Summit, in implementing the Multilateral Development Banks (MDBs) Action Plan and the High Level Panel on Infrastructure (HLPI) recommendations.²⁵¹

The G20 leaders also endorsed the Summary Report of the Inter-Agency Working Group (IAWG) comprised of the UNCTAD, ILO, UNDP, World Bank, and the OECD on Private Investment and Job Creation with policy recommendations on the stimulation of investments and the improvement of business climate.²⁵² In the Report, four main areas of recommendations were identified:

- Improving the business climate and the regulatory framework for foreign and domestic investment;
- Assisting developing countries to attract the most value-adding investments;
- Promoting responsible investments in value-chains; and

²⁴⁸ Press Release: Study on the Potential Unintended Consequences of Regulatory Reforms on Emerging Market and Developing Economies, Financial Stability Board (Basel) 19 June 2012. Date of Access: 9 December 2012.

http://www.financialstabilityboard.org/press/pr_120619b.pdf.

²⁴⁹ Identifying the Effects of Regulatory Reforms on Emerging Market and Developing Economies: A Review of Potential Unintended Consequences, Financial Stability Board (Basel) 19 June 2012. Date of Access: 1 December 2012.

http://www.financialstabilityboard.org/publications/r_120619e.pdf.

²⁵⁰ 2012 Progress Report of the Development Working Group, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 5 December 2012.

<http://www.g20.utoronto.ca/2012/2012-0619-dwg.html>.

²⁵¹ 2012 Progress Report of the Development Working Group, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 5 December 2012.

<http://www.g20.utoronto.ca/2012/2012-0619-dwg.html>.

²⁵² Promoting Responsible Investment for Sustainable Development and Job Creation, G20 Information Centre (Toronto) June 2012. Date of Access: 4 December 2012.

<http://g20mexico.org/images/stories/docs/canalsherpas/summarep.pdf>.

- Stimulating investment in local enterprise development including by boosting access to finance for SMEs, promoting entrepreneurship and supporting innovative business solutions.²⁵³

Commitment Features

This commitment applies to the emerging market economies among the G20 members. These members are Argentina, Brazil, China, Indonesia, India, Mexico, Russia, Saudi Arabia, South Africa, and Turkey.

A range of macroeconomic reforms can be categorized as those that promote development. Not all macroeconomic and development policies will be considered for this analysis, however, as some are treated as separate commitments in this report. Policies that are recognized to promote development but will not be considered in this commitment, as analyzed in other chapters of the report, are: exchange rates flexibility, over-the-counter (OTC) derivatives, Systemically Important Financial Institutions (SIFIs), Basel banking regulation framework, social protection floors, and unemployment.

Instead, the report will focus on the policies that follow on the Commitments of the Multi-Year Action Plan on Development (MYAP).²⁵⁴ These policies include reforms in the areas of:

- Promoting longer-term prosperity through Inclusive Green Growth (IGG);
- Fostering Financial Inclusion;
- Promoting Knowledge Sharing (KS) activities;

Special attention will be given to reforms directed at enhancing infrastructure investment and improving investment climate, including that of Small and Medium Enterprises (SMEs).

The aforementioned policies will be counted towards compliance as promoting growth and development²⁵⁵, granted the member emphasizes they are being undertaken as such.

Since there is a diversity of EMDE financial systems in economic size, level of development, legal, and institutional frameworks there is no “one-size-fits-all” framework. Different countries will apply different measures depending on their priorities and concerns within their specific development context.²⁵⁶

²⁵³ Promoting Responsible Investment for Sustainable Development and Job Creation: Final Report to the High-Level Development Working Group on the Work of the Private Investment and Job Creation Pillar, United Nations Conference on Trade and Development (Geneva) June 2012. Date of Access: 4 December 2012.

http://unctad.org/meetings/en/Miscellaneous%20Documents/diae_g20_Mexico_en.pdf.

²⁵⁴ Annex II: Multi-Year Action Plan on Development, G20 Information Center (Toronto) 12 November 2012. Date of Access: 9 December 2012.

<http://www.g20.utoronto.ca/2010/g20seoul-development.html>.

²⁵⁵ Promoting Responsible Investment for Sustainable Development and Job Creation, G20 Information Centre (Toronto) June 2012. Date of Access: 4 December 2012.

<http://g20mexico.org/images/stories/docs/canalsherpas/summarep.pdf>.

²⁵⁶ Promoting Responsible Investment for Sustainable Development and Job Creation, G20 Information Centre (Toronto) June 2012. Date of Access: 4 December 2012.

<http://g20mexico.org/images/stories/docs/canalsherpas/summarep.pdf>.

Scoring Guidelines

-1	G20 member does not promote a range of reforms to promote development AND does not declare intent to do so.
0	G20 member is in process of promoting a range of reforms OR declares intent to promote a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.
+1	G20 member promotes a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.

Lead Analyst: Eleni Tsaliki

Argentina: 0

Argentina has partially complied with its commitment to promote a range of reforms to promote development. The government of Argentina has stated its commitment to promote actions conducive to economic development, but has yet to enact appropriate policies.

On 8 August 2012, the government of Argentina announced further restrictions on the sale of US dollars. According to Agence France-Presse (AFP), the tightening of restrictions came into effect in the third week of August, and is part of the government's efforts to discourage capital flight and protect foreign exchange reserves needed to repay Argentina's debt.²⁵⁷

On 31 August 2012, the Economic Commission for Latin America and the Caribbean, of which Argentina is a member, ended its summit in El Salvador. Delegates from Argentina welcomed the integrated approach to economic development outlined in the summit document "Structural change for equality: An integrated approach to development," which lays out a strategy for growth with equality and sustainability for development across Latin America and the Caribbean.²⁵⁸

On 13 September 2012, Argentina became the first South American country to become a party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.²⁵⁹ The Convention aids developing countries to share in the benefits of a cooperative tax framework, as it facilitates international cooperation and information exchange, leading to an improved operation of national tax laws and tax collection.²⁶⁰ The Convention helps the countries combat

²⁵⁷ Argentina Imposes More Restrictions on US Dollars, Tengri News (Astana) 8 August 2012. Date of Access: 4 January 2013.

http://en.tengrinews.kz/laws_initiatives/Argentina-imposes-more-restrictions-on-US-dollars--12027/.

²⁵⁸ Structural Change Is the Path, Policy Is the Instrument and Equality Is the Basic Objective, Economic Commission for Latin America and the Caribbean (San Salvador) 28 August 2012. Date Accessed 13 January 2013.

<http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/0/47880/P47880.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/ps34/tpl-i/top-bottom.xsl>.

²⁵⁹ Convention on Mutual Administrative Assistance in Tax Matters, Organisation for Economic Co-operation and Development (Paris) 5 December 2012. Date of Access: 27 December 2012.

<http://www.oecd.org/tax/exchangeofinformation/conventiononmutualadministrativeassistanceintaxmatters.htm>.

²⁶⁰ Convention on Mutual Administrative Assistance in Tax Matters, Organisation for Economic Co-operation and Development (Paris) 5 December 2012. Date of Access: 27 December 2012.

<http://www.oecd.org/tax/exchangeofinformation/conventiononmutualadministrativeassistanceintaxmatters.htm>.

tax avoidance and evasion via multilateral information sharing.²⁶¹ The Convention entered into force on 1 January 2013, and is expected to enhance Argentina's tax collection system.²⁶²

On 29 October 2012, Argentina participated in the first Annual Global Partnership for Financial Inclusion (GPII) Conference and Technical Meeting on Standard-Setting Bodies and Financial Inclusion in Basel.²⁶³ Participants of the conference discussed the progress and the challenges that Global Standard-Setting Bodies (SSBs) face when it comes to financial inclusion.²⁶⁴

On 30 October 2012, a Technical Meeting on the same topics took place where the Conference's participants discussed technical aspects and practical issues.²⁶⁵ The goal of the meeting was to inform the GPII Sub-Group on G20 Principles for Innovative Financial Inclusion and Engagement with SSBs under the Russian G20 Presidency.

As of 17 December 2012, according to a press release by the International Monetary Fund's (IMF) Director of External Relations Gerry Rice, the IMF management has filed a report to the Executive Board on Argentina's official economic data.²⁶⁶ The report's considerations are expected at the beginning of February 2013²⁶⁷; and Argentina may be subject to IMF sanctions depending on the report's findings.²⁶⁸ Director Rice explained that Argentina's strict capital control policies have put a restraint on trade and investment, contributing to a slowdown in

²⁶¹ Convention on Mutual Administrative Assistance in Tax Matters, Organisation for Economic Co-operation and Development (Paris) 5 December 2012. Date of Access: 27 December 2012.
<http://www.oecd.org/tax/exchangeofinformation/conventiononmutualadministrativeassistanceintaxmatters.htm>.

²⁶² Argentina becomes the first South American country to become a Party to the Multilateral Convention, Organisation for Economic Co-operation and Development (Paris) 13 September 2012. Date of Access: 27 December 2012.
<http://www.oecd.org/ctp/exchangeofinformation/taxargentinabecomesthefirstsouthamericancountrytobecomeapartytothemultilateralconvention.htm>.

²⁶³ First Annual GPII Conference and Technical Meeting on Standard-Setting Bodies and Financial Inclusion, Global Partnership for Financial Inclusion (Seoul) 31 October 2012. Date of Access: 15 January 2013.
<http://www.gpii.org/featured/first-annual-gpii-conference-and-technical-meeting-standard-setting-bodies-and-financial-inclusion>.

²⁶⁴ First Annual GPII Conference and Technical Meeting on Standard-Setting Bodies and Financial Inclusion, Global Partnership for Financial Inclusion (Seoul) 31 October 2012. Date of Access: 15 January 2013.
<http://www.gpii.org/featured/first-annual-gpii-conference-and-technical-meeting-standard-setting-bodies-and-financial-inclusion>.

²⁶⁵ First Annual GPII Conference and Technical Meeting on Standard-Setting Bodies and Financial Inclusion, Global Partnership for Financial Inclusion (Seoul) 31 October 2012. Date of Access: 15 January 2013.
<http://www.gpii.org/featured/first-annual-gpii-conference-and-technical-meeting-standard-setting-bodies-and-financial-inclusion>.

²⁶⁶ Statement by the IMF Spokesman on Argentina, International Monetary Fund (Washington) 17 December 2012. Date of Access: 2 January 2013.
<http://www.imf.org/external/np/sec/pr/2012/pr12488.htm>.

²⁶⁷ Transcript of Managing Director's New Year Press Briefing, International Monetary Fund (Washington) 17 January 2013. Date of Access: 29 January 2013.
<http://www.imf.org/external/np/tr/2013/tr011713.htm>.

²⁶⁸ IMF's Christine Lagarde says Argentina faces 'red card', BBC News (London) 24 September 2012. Date of Access: 27 December 2012.
<http://www.bbc.co.uk/news/world-latin-america-19709273>.

growth from nine per cent to 2.2 per cent.²⁶⁹ Key sectors of the economy — real estate and construction — have felt negative effects because of these policies.²⁷⁰

On 9 January 2013, the government of Argentina introduced a new system of export duties on oil shipments in order to attract investments and boost production.²⁷¹ This announcement is part of a series of measures aimed at attracting investments and boosting growth.²⁷²

On 15 January 2013, President Cristina Fernandez de Kirchner delivered a keynote speech at the opening ceremony of the sixth annual World Future Energy Summit and the first International Water Summit in Dubai.²⁷³ The speech signaled the strengthening ties in the field of renewable energy between South American countries and the Middle East. According to Argentinean ambassador to the United Arab Emirates (UAE) Ruben Eduardo Caro: “The World Future Energy Summit, as part of the Abu Dhabi Sustainability Week, will be a platform that enables Argentina to establish a dialogue and work with political and business leaders in order to identify how they can further develop renewable energy and sustainable development solutions.”²⁷⁴

On 21 March 2013, President Kirchner met with officials, including Economy Minister Hernan Lorenzino, to discuss the issue of inflation and the discrepancies between Argentina’s official exchange in relation to the US dollar and the exchange rate in the parallel market.²⁷⁵ These issues continue to affect Argentina’s financial situation as the country’s deficit remains a concern and Argentines look to stronger currencies to safeguard their investments and look abroad when it

²⁶⁹ Argentina Grapples With Credit-Rating Challenges, The Wall Street Journal (New York) 31 October 2012. Date of Access: 27 December 2012.

<http://online.wsj.com/article/SB10001424052970203707604578090781324040470.html>.

²⁷⁰ Argentina Imposes More Restrictions on US Dollars, Tengri News (Astana) 8 August 2012. Date of Access: 4 January 2013.

http://en.tengrinews.kz/laws_initiatives/Argentina-imposes-more-restrictions-on-US-dollars--12027/.

²⁷¹ Argentina rapidly changing oil/gas industry levies to attract foreign investment, Merco Press (Montevideo) 9 January 2013. Date of Access: 15 January 2013.

<http://en.mercopress.com/2013/01/09/argentina-rapidly-changing-oil-gas-industry-levies-to-attract-foreign-investment>.

²⁷² Argentina rapidly changing oil/gas industry levies to attract foreign investment, Merco Press (Montevideo) 9 January 2013. Date of Access: 15 January 2013.

<http://en.mercopress.com/2013/01/09/argentina-rapidly-changing-oil-gas-industry-levies-to-attract-foreign-investment>.

²⁷³ Argentine President to Address ADSW, Khaleej Times (Dubai) 12 January 2013. Date of Access: 13 February 2013.

http://www.khaleejtimes.com/kt-article-display-1.asp?xfile=/data/uaebusiness/2013/January/uaebusiness_January178.xml§ion=uaebusiness.

²⁷⁴ Argentine President to Address ADSW, Khaleej Times (Dubai) 12 January 2013. Date of Access: 13 February 2013.

http://www.khaleejtimes.com/kt-article-display-1.asp?xfile=/data/uaebusiness/2013/January/uaebusiness_January178.xml§ion=uaebusiness.

²⁷⁵ Urgent meeting of Argentine economic team as US dollar jumps 10% to 8.75 pesos, MercoPress South Atlantic News Agency (Montevideo) 21 March 2013. Date of Access: 25 June 2013.

<http://en.mercopress.com/2013/03/21/urgent-meeting-of-argentine-economic-team-as-us-dollar-jumps-10-to-8.75-pesos>.

comes to spending their money, a situation which is hampering Argentina's domestic consumption.²⁷⁶

On 22 March 2013, the government of Argentina modified regulation regarding mutual fund investments in locally traded securities (Cedears) aiming at increasing investments in local companies and halting capital flight.²⁷⁷

On 20 April 2013, Economy Minister Hernan Lorenzino, in a statement to the International Monetary and Financial Committee (IMFC), spoke of Argentina's strong and inclusive growth, and stated that the country's macroeconomic framework continued to pursue the sustenance of growth and the invigoration of the economy in an inclusive manner.²⁷⁸ More specifically, Minister Lorenzino stated that the main pillars of Argentina's current and future model are strong domestic consumption coupled with increased employment and standard of living, and prudent fiscal management.²⁷⁹

Furthermore, Minister Lorenzino praised Argentina's weathering of the economic slowdown in Brazil and advanced economies and noted that, despite those unfortunate events, the Argentine economy is continuing to grow and create jobs.²⁸⁰ Minister Lorenzino stated that Argentina's main economic goal is to continue its robust growth by strengthening its domestic economic policies and government programmes.²⁸¹

Argentina has partially complied with its commitment to promote development reforms. On one hand, Argentina has taken steps towards promoting economic growth by signing on to the Convention on Mutual Administrative Assistance in Tax Matters, and by embracing the agenda for inclusive growth. On the other hand, Argentina continues to impose currency controls that have had an adverse effect on its economy. Therefore, it is awarded a score of 0.

²⁷⁶ IMF estimates Argentine economy will expand 2.8% this year and 3.5% in 2014, MercoPress South Atlantic News Agency (Montevideo) 17 April 2013. Date of Access: 25 June 2013.
<http://en.mercopress.com/2013/04/17/imf-estimates-argentine-economy-will-expand-2.8-this-year-and-3.5-in-2014>.

²⁷⁷ Argentina Tightens Securities Regulation as Peso Slides, Bloomberg (New York) 22 March 2013. Date of Access: 28 June 2013.
<http://www.bloomberg.com/news/2013-03-22/argentina-tightens-securities-regulation-as-peso-slide-deepens.html>.

²⁷⁸ Statement by Hernán Lorenzino, Minister of Economy and Public Finance, on behalf of Bolivia, Chile, Paraguay, Peru, Uruguay, International Monetary Fund (Washington DC) 20 April 2013. Date of Access: 25 June 2013.
<http://www.imf.org/External/spring/2013/imfc/statement/eng/arg.pdf>.

²⁷⁹ Statement by Hernán Lorenzino, Minister of Economy and Public Finance, on behalf of Bolivia, Chile, Paraguay, Peru, Uruguay, International Monetary Fund (Washington DC) 20 April 2013. Date of Access: 25 June 2013.
<http://www.imf.org/External/spring/2013/imfc/statement/eng/arg.pdf>.

²⁸⁰ Statement by Hernán Lorenzino, Minister of Economy and Public Finance, on behalf of Bolivia, Chile, Paraguay, Peru, Uruguay, International Monetary Fund (Washington DC) 20 April 2013. Date of Access: 25 June 2013.
<http://www.imf.org/External/spring/2013/imfc/statement/eng/arg.pdf>.

²⁸¹ Statement by Hernán Lorenzino, Minister of Economy and Public Finance, on behalf of Bolivia, Chile, Paraguay, Peru, Uruguay, International Monetary Fund (Washington DC) 20 April 2013. Date of Access: 25 June 2013
<http://www.imf.org/External/spring/2013/imfc/statement/eng/arg.pdf>.

Brazil: +1

Brazil has fully complied with its commitment to promote a range of reforms to promote development. Brazil has promoted and enacted reforms aimed at improving the investment climate as well as invested in its infrastructure.

On 21 June 2012, Director-General of the United Nations Industrial Development Organization Kandeh K. Yumkella, speaking at the Rio+20 UN Conference on Sustainable Development, praised Brazil's commitment to the Sustainable Energy for All initiative.²⁸² Brazil has committed to invest USD4.3 billion to achieve universal energy access by 2014. The move involves improvements to the power grid as well as further investment in energy infrastructure.²⁸³

On 25 June 2012, the International Monetary Fund (IMF) outlined a path for sustainable development at the Rio+20 Conference.²⁸⁴ In response, Brazil's Minister of Finance Mantega welcomed the IMF outline and reiterated Brazil's commitment to inclusive economic growth, stating, "Brazil's growth is indivisible from environmental protection and social inclusion."²⁸⁵

On 30 August 2012, Brazil's central bank cut its benchmark interest rate to a record low of 7.5 per cent.²⁸⁶ The move follows stimulus measures enacted earlier in August 2012, when President Dilma Rousseff's government announced the first phase of a major economic stimulus package that involves USD60 billion for investment in Brazil's infrastructure over the next 25 years.²⁸⁷ The stimulus measures also include tax cuts to promote investment.²⁸⁸

On 13 October 2012, speaking at a meeting of the International Monetary and Financial Committee, Minister Mantega spoke on behalf of Brazil and other emerging market countries of

²⁸² Director-General Yumkella says Sustainable Energy for All initiative to Benefit Over a Billion People Worldwide, United Nations Industrial Development Organization (Vienna) 21 June 2012. Date of Access: 28 December 2012.

[http://www.unido.org/index.php?id=7881&tx_ttnews\[tt_news\]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7](http://www.unido.org/index.php?id=7881&tx_ttnews[tt_news]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7).

²⁸³ Director-General Yumkella says Sustainable Energy for All initiative to Benefit Over a Billion People Worldwide, United Nations Industrial Development Organization (Vienna) 21 June 2012. Date of Access: 28 December 2012.

[http://www.unido.org/index.php?id=7881&tx_ttnews\[tt_news\]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7](http://www.unido.org/index.php?id=7881&tx_ttnews[tt_news]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7).

²⁸⁴ IMF Sets Path for Sustainable Development, International Monetary Fund (Washington) 25 June 2012. Date of Access: 28 December 2012.

<http://www.imf.org/external/pubs/ft/survey/so/2012/new062512a.htm>.

²⁸⁵ IMF Sets Path for Sustainable Development, International Monetary Fund (Washington) 25 June 2012. Date of Access: 28 December 2012.

<http://www.imf.org/external/pubs/ft/survey/so/2012/new062512a.htm>.

²⁸⁶ Brazil Cuts Interest Rates to Fresh Record Low, BBC News (London) 30 August 2012. Date of Access: 28 December 2012.

<http://www.bbc.co.uk/news/business-19422063>.

²⁸⁷ Brazil announces \$60bn stimulus package, BBC News (London) 15 August 2012. Date of Access: 29 January 2013.

<http://www.bbc.co.uk/news/business-19274755>.

²⁸⁸ Brazil Cuts Interest Rates to Fresh Record Low, BBC News (London) 30 August 2012. Date of Access: 28 December 2012.

<http://www.bbc.co.uk/news/business-19422063>.

short-term growth measures should promote demand and job creation.²⁸⁹ Mantega elaborated that infrastructure and social spending should be increased when possible.²⁹⁰ Furthermore, Mantega ensured that Brazil would take all necessary measures to avoid the negative effects of external policies that reduce global growth and demand.²⁹¹

On 24 October 2012, President Rousseff announced extended tax cuts for carmakers in the country — an incentive that has helped the national car industry recover as well as boosted foreign investment in Brazil's factories.²⁹² Moreover, the Brazilian government plans to hold rounds of concession bids for public airports and ports as well as to lower federal and state taxes — all to attract foreign investment.²⁹³

On 24 January 2013, Brazil released a joint statement along with the European Union (EU), following the sixth Brazil-EU Summit.²⁹⁴ The two parties discussed the outcome of the United Nations Conference on Sustainable Development (UNCSD) and subsequently released a joint statement.²⁹⁵ Brazil stressed the importance of implementing the outcome of Rio+20 and pledged to work on the development of the Sustainable Development Goals (SDGs).²⁹⁶ Additionally, Brazil listed the eradication of poverty and the changing of unsustainable consumption patterns as key to a better development paradigm.²⁹⁷

²⁸⁹ Statement by Mr. Guido Mantega, Minister of Finance, Brazil, on behalf the Constituency comprising Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, Trinidad and Tobago, at the International Monetary Financial Committee, International Monetary Fund (Washington) 13 October 2012. Date of Access: 29 December 2012.

<http://www.imf.org/External/AM/2012/imfc/statement/eng/bra.pdf>.

²⁹⁰ Statement by Mr. Guido Mantega, Minister of Finance, Brazil, on behalf the Constituency comprising Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, Trinidad and Tobago, at the International Monetary Financial Committee, International Monetary Fund (Washington) 13 October 2012. Date of Access: 29 December 2012.

<http://www.imf.org/External/AM/2012/imfc/statement/eng/bra.pdf>.

²⁹¹ Statement by Mr. Guido Mantega, Minister of Finance, Brazil, on behalf the Constituency comprising Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, Trinidad and Tobago, at the International Monetary Financial Committee, International Monetary Fund (Washington) 13 October 2012. Date of Access: 29 December 2012.

<http://www.imf.org/External/AM/2012/imfc/statement/eng/bra.pdf>.

²⁹² Brazil's Economic Recovery Finally Arrives, Reuters US Edition (New York) 26 October 2012. Date of Access: 28 December 2012.

<http://www.reuters.com/article/2012/10/26/brazil-economy-idUSL1E8LPHLT20121026>.

²⁹³ Brazil's Economic Recovery Finally Arrives, Reuters US Edition (New York) 26 October 2012. Date of Access: 28 December 2012.

<http://www.reuters.com/article/2012/10/26/brazil-economy-idUSL1E8LPHLT20121026>.

²⁹⁴ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

²⁹⁵ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

²⁹⁶ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

²⁹⁷ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

On 26-27 January 2013, Brazil participated in the first European Union–Community of Latin American and Caribbean States (EU-CELAC) Summit, where European, Latin American, and Caribbean government representatives came together to form an “Alliance for Sustainable Development to Promote Investments of Social and Environmental Quality”²⁹⁸, and adopting an Action Plan for 2013-2015.²⁹⁹ Among the key themes and measures identified were: the promotion of green economy, increased and diversified bi-regional investments, improved integration, corporate social responsibility, small and medium enterprises (SMEs), energy and social services, and infrastructure projects.³⁰⁰

On 31 January 2013, the Brazilian government extended tax breaks to foreign property investments in order to boost its real estate market.³⁰¹ Foreign investors are exempt from paying a financial transaction charge on real estate investment trust (REIT). The government expects to create an alternative resource of funding for local constructors, apart from the state development bank BNDES and boost the construction sector as well. For this reason, the government reduced payroll taxes for construction companies, due to weak economic growth.³⁰²

On 5 February 2013, Finance Minister Guido Mantega and Chief Executive Officer of Investment Bank BTGPactual Andre Esteves, launched in Sao Paulo Brazil’s road show to attract foreign infrastructure investments through 2015.³⁰³ According to Finance Minister Mantega, “the government hopes these efforts will lead to long-term growth by attracting private investment, which is one of the weakest pillars of Brazil’s economy.”³⁰⁴

On 20 March 2013, the governments of Brazil and United States entered into negotiations for bilateral agreements in areas such as services, transportation, investment, energy, and trade. Both sides expressed their interest in expanding their relationship in those areas that hold the potential to spur Brazil’s economic growth.³⁰⁵

²⁹⁸ EU-CELAC Summit, Europe, Latin America and the Caribbean to Promote Investments of Social and Environmental Quality in both regions, European Union (Brussels) 25 January 2013. Date of Access: 13 February 2013.

http://eeas.europa.eu/la/summits/2013/index_en.htm.

²⁹⁹ EU-CELAC Action Plan, Council of the European Union (Brussels) 27 January 2013. Date of Access: 13 February 2013.

http://eeas.europa.eu/la/summits/docs/2013_santiago_summit_eu-celac_action_plan_en.pdf.

³⁰⁰ EU-CELAC Action Plan, Council of the European Union (Brussels) 27 January 2013. Date of Access: 13 February 2013.

http://eeas.europa.eu/la/summits/docs/2013_santiago_summit_eu-celac_action_plan_en.pdf.

³⁰¹ Brazil cuts tax on foreign investments in domestic REITs-gazette, Reuters (London) 31 January 2013. Date of Access: 13 February 2013.

<http://www.reuters.com/article/2013/01/31/brazil-economy-tax-idUSE5N09A00K20130131>.

³⁰² Brazil Favors Foreign Property Investors, NuWire Investors (Washington D.C.) 5 February 2013. Date of Access: 13 February 2013.

<http://www.nuwireinvestor.com/articles/brazil-favors-foreign-property-investors-60429.aspx>.

³⁰³ Brazil Launches Road Show to Shop Infrastructure Projects, Reuters (London) 5 February 2013. Date of Access: 13 February 2013.

<http://www.reuters.com/article/2013/02/05/brazil-infrastructure-idUSL1N0B5DZV20130205>.

³⁰⁴ Brazil Launches Road Show to Shop Infrastructure Projects, Reuters (London) 5 February 2013. Date of Access: 13 February 2013.

<http://www.reuters.com/article/2013/02/05/brazil-infrastructure-idUSL1N0B5DZV20130205>.

³⁰⁵ Brazil and USA seek bilateral agreements, United States Diplomatic Mission to Brazil (Brasilia) 20 March 2013. Date of Access: 28 June 2013.

On 27 March 2013, Brazil, along with the other constituents of the BRICS states, released a declaration stating its commitment to international development and cooperation. The leaders of the five countries expressed their concern about the slow pace of reforms of the International Monetary Fund (IMF) and proposed the establishment of a Development Bank that would mobilise resources for infrastructure and sustainable development projects.³⁰⁶

Additionally, the declaration included Brazil's intention to boost investment and trade, particularly with emerging markets in Africa, to further drive growth.³⁰⁷ Brazil reiterated its commitment to support small and medium-sized enterprises (SMEs), recognizing their value to economic growth and sustainability.³⁰⁸

On 19 April 2013, Minister of Finance Guido Mantega, spoke to the International Monetary and Financial Committee (IMFC) on behalf of Brazil and a host of other states.³⁰⁹ Minister Mantega spoke of Brazil's desire to maintain strong growth via an effective domestic policy and through international cooperation to reinvigorate international trade. Minister Mantega stated that Brazil's main goal is to continue to stimulate domestic demand as a means to guard against international downturns and called on other states to follow.³¹⁰

On 21 May 2013, Head of Government Infrastructure Agency EPL Bernardo Figueiredo spoke of Brazil's need to double its current investments levels in infrastructure in order to overcome its transport deficiencies. In order to boost investments in infrastructure, the Brazilian government raised the internal rate of return for highway concessions from 5.5 to 7.2 per cent and for railway projects from 6.3 to 7-7.5.³¹¹ Furthermore, the National Ground Transport Agency (ANTT) is preparing 13 railroad projects throughout the country.³¹² On 16 May 2013, the Congress approved

<http://brazil.usembassy.gov/interviewfromanvalor.html>.

³⁰⁶ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekwin Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 24 June 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>.

³⁰⁷ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekwin Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 24 June 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>.

³⁰⁸ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekwin Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 24 June 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>.

³⁰⁹ Statement by Guido Mantega, Minister of Finance, Brazil, On behalf of Brazil, Cape Verde, Dominican Republic, Ecuador, Guyana, Haiti, Nicaragua, Panama, Suriname, Timor-Leste, Trinidad and Tobago, International Monetary Fund (Washington DC) 19 April 2013. Date of Access: 25 June 2013.

<http://www.imf.org/External/spring/2013/imfc/statement/eng/bra.pdf>.

³¹⁰ Statement by Guido Mantega, Minister of Finance, Brazil, On behalf of Brazil, Cape Verde, Dominican Republic, Ecuador, Guyana, Haiti, Nicaragua, Panama, Suriname, Timor-Leste, Trinidad and Tobago, International Monetary Fund (Washington DC) 19 April 2013. Date of Access: 25 June 2013.

<http://www.imf.org/External/spring/2013/imfc/statement/eng/bra.pdf>.

³¹¹ Brazil offers better terms for infrastructure investors, Reuters (London) 21 May 2013. Date of Access: 28 June 2013.

<http://www.reuters.com/article/2013/05/21/us-latam-summit-brazil-infrastructure-idUSBRE94K0WN20130521>.

³¹² ANTT conducts Public Hearing to reap subsidies for granting the Railroad Açailândia / MA - Barcarena / PA, National Ground Transport Agency (Brasilia) 13 May 2013. Date of Access: 28 June 2013.

http://www.antt.gov.br/index.php/content/view/21626/ANTT_realiza_Audiencia_Publica_para_colher_subsidios_para_concessao_da_Ferrovia_Acailandia_MA_Barcarena_PA.html.

legislation that lifted restrictions on building private ports in the country and opened the way for private investments. The goal of the new bill is to boost the country's export growth.³¹³

On 14 June 2013, President Dilma Rousseff announced the creation of new credit lines worth of USD8 billion, with the goal of facilitating purchases of consumer goods in an attempt to bolster growth.³¹⁴ The move follows an increase in interest rates, made by the central bank in April, to combat inflation.³¹⁵ On 14 June 2013, President Rousseff assured investors and the market that Brazil is acting to promote growth and fight inflation, assuring that “inflation is under control, [and] the public finances are under control.”³¹⁶

Brazil has been promoting policies that encourage development, specifically those with a focus on infrastructure investment and sustainable economic growth. Thus, Brazil has been awarded a score of +1.

*Analyst: David Gelles
Lead Analyst: Eleni Tsaliki*

China: +1

China has fully complied with its commitment to promote a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.

On 17 September 2012, the State Council of China in conjunction with the People's Bank of China (PBC) released its 12th Five-Year Plan for Financial Sector Development and Reform.³¹⁷ Key policy objectives included: (1) financial sector restructuring, (2) allowing the market to play a bigger role in resource allocation, (3) market-based interest rate reform, (4) multi-layer capital reform, and (5) improvement of the Renminbi, or Chinese Yuan, rate exchange regime. The guiding principles for the Plan are aimed at “comprehensively promoting financial reform, opening-up and development, enhancing comprehensive strengths, international competitiveness and risk prevention capacity of the Chinese financial industry, enabling the financial sector better

³¹³ Brazil port modernization bill clears Congress, Reuters (London) 16 May 2013. Date of Access: 28 June 2013.

<http://www.reuters.com/article/2013/05/17/brazil-ports-idUSL2N0DX1XZ20130517>.

³¹⁴ Brazil pumps more consumer credit lines to bolster the economy, MercoPress South Atlantic News Agency (Montevideo) 14 June 2013. Date of Access: 25 June 2013.

<http://en.mercopress.com/2013/06/14/brazil-pumps-more-consumer-credit-lines-trying-to-bolster-the-economy>).

³¹⁵ Brazil pumps more consumer credit lines to bolster the economy, MercoPress South Atlantic News Agency (Montevideo) 14 June 2013. Date of Access: 25 June 2013.

<http://en.mercopress.com/2013/06/14/brazil-pumps-more-consumer-credit-lines-trying-to-bolster-the-economy>).

³¹⁶ Brazil pumps more consumer credit lines to bolster the economy, MercoPress South Atlantic News Agency (Montevideo) 14 June 2013. Date of Access: 25 June 2013.

<http://en.mercopress.com/2013/06/14/brazil-pumps-more-consumer-credit-lines-trying-to-bolster-the-economy>).

³¹⁷ The PBC Released the 12th Five-Year Plan for the Financial Industry, The People's Bank of China (Beijing) 17 July 2012. Date of Access: 02 January 2012.

http://www.pbc.gov.cn/publish/english/955/2012/20120926145631142409624/20120926145631142409624_.html.

serve the real economy, improving the macro financial management and regulatory system.”³¹⁸ Government sectors at all levels are expected to develop and implement measures to fulfill the policy objectives, with an emphasis on supporting “the real economy” and inclusive growth.³¹⁹

On 14 December 2012, China’s State Administration of Foreign Exchange removed the USD1 billion ceiling on investments in local capital markets by “institutional investors such as sovereign wealth funds, central banks and monetary authorities.”³²⁰ The lifting of the quota is intended to attract more overseas investors.

On 1 July 2012, the People’s Bank of China released the China Financial Stability Report 2012.³²¹ The Report speaks of the importance of continuing macroeconomic reforms to promote sustainable development and healthy financial conditions for governments, corporations, and households.

In December 2012, at the Central Economic Work Conference, the Chinese government recognized the expansion of domestic demand as one of its strategic development goals for 2013.³²²

On 18 December 2012, the head of China’s National Development and Reform Commission (NDRC) Zhang Ping announced that China would increase efforts to spur economic growth by targeting emerging industries through policies and pilot programs.³²³ Development plans include increasing investment for biotechnology and satellite navigation, as well as research and development in the medical industry. Zhang Ping said that China “will strive to reduce its industrial overcapacity, boost the tertiary industry, step up the exploitation of new and renewable resources and improve infrastructure in rural and urban areas.”³²⁴ Between September and

³¹⁸ The PBC Released the 12th Five-Year Plan for the Financial Industry, The People’s Bank of China (Beijing) 17 July 2012. Date of Access: 02 January 2012.
<http://www.pbc.gov.cn/publish/english/955/2012/20120926145631142409624/20120926145631142409624.html>.

³¹⁹ China unveils financial reform plan for 12th Five-Year Plan period, Xinhua News Agency (Beijing) 24 September 2012. Date of Access: 02 January 2012.
http://news.xinhuanet.com/english/china/2012-09/24/c_131869302.htm.

³²⁰ New Chinese policy may favor big foreign investors, Pensions and Investments (New York) 24 December 2012. Date of Access: 15 January 2013.
<http://www.pionline.com/article/20121224/PRINTSUB/312249992/new-chinese-policy-may-favor-big-foreign-investors>.

³²¹ The PBC Released the Financial Stability Report 2012, The People’s Bank of China (Beijing) 1 July 2012. Date of Access: 02 January 2013.
<http://www.pbc.gov.cn/publish/english/955/2012/20120712091753592198079/20120712091753592198079.html>.

³²² Goals for 2013 set at the economic work conference, SinaEnglish (Beijing) 16 December 2012. Date of Access: 15 January 2013.
<http://english.sina.com/china/p/2012/1216/538321.html>.

³²³ China targets emerging sectors for quality growth, Xinhua News Agency (Beijing) 19 December 2012. Date of Access: 02 January 2013.
http://news.xinhuanet.com/english/china/2012-12/19/c_124114491.htm.

³²⁴ China targets emerging sectors for quality growth, Xinhua News Agency (Beijing) 19 December 2012. Date of Access: 02 January 2013.
http://news.xinhuanet.com/english/china/2012-12/19/c_124114491.htm.

December 2012, the NDRC approved over 300 new infrastructure and energy related projects meant to boost economic growth.³²⁵

On 23 August 2012, the PBC began a pilot project to offer agriculture-linked central bank loans to spur investment in the real economy.³²⁶

China's 12th Five-Year plan for 2011-2015 has emphasized green and low-carbon development, integrating the fight against climate change into its economic restructuring and overall growth.³²⁷ In December 2012, Vice Premier Li Keqiang announced that China would invest over RMB3.4 trillion into environmental protection, and expand domestic markets by focusing on the application and research of solar technology.³²⁸

On 5 November 2012, the Chinese government participated in the Forum on Green Economy and Inclusive Development for Bamboo and Rattan in Beijing and signed onto the declaration agreeing to build capacity, share technical knowledge, and promote industries that foster green growth and sustainable development with other emerging economies.³²⁹

On 16 October 2012, Governor Zhou Xiaochuan of the PBC signed a Memorandum of Understanding (MOU) with the Inter-American Development Bank (IDB) to establish a China co-financing fund to increase collaboration and cooperation.³³⁰ On a visit to several Latin American countries in June 2012, Premier of the State Council of China Wen Jiabao emphasized the need for concrete measures to boost trade and cooperation, proposing a trade increase of USD400 billion with Economic Commission for Latin America and the Caribbean (ECLAC) countries over the next five years.³³¹

On 24 October 2012, Director General of the European Commission Directorate-General Enterprise and Industry Daniel Calleja and Administrator of Standardization Administration of

³²⁵ Beijing steps up approval rate for infrastructure projects, *Want China Times* (Taipei) 27 December 2012. Date of Access: 15 January 2013.

<http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20121227000046&cid=1102>.

³²⁶ Highlights of China's Monetary Policy in the Third Quarter of 2012, *The People's Bank of China* (Beijing) 9 November 2012. Date of Access: 2 January 2013.

<http://www.pbc.gov.cn/publish/english/955/2012/20121113141006634513925/20121113141006634513925.html>.

³²⁷ Commentary: China self-motivated to combat climate change, *Xinhua News Agency* (Beijing) 27 November 2012. Date of Access: 2 January 2013.

http://news.xinhuanet.com/english/china/2012-11/27/c_132003022.htm.

³²⁸ China invests big in ecological progress, *Xinhua News Agency* (Beijing) 19 December 2012. Date of Access: 29 December 2012.

http://news.xinhuanet.com/english/china/2012-12/19/c_132051457.htm.

³²⁹ Beijing Declaration by International Network for Bamboo and Rattan, *Xinhua News Agency* (Beijing) 7 November 2012. Date of Access: 29 December 2012.

http://news.xinhuanet.com/english/world/2012-11/07/c_123926997.htm.

³³⁰ Signing of Memorandum of Understanding between the PBC and IDB Concerning Exploration of Opportunities to Establish a China Co-financing Fund, *The People's Bank of China* (Beijing) 16 October 2012. Date of Access: 14 January 2013.

<http://www.pbc.gov.cn/publish/english/955/2012/20121019160024470888790/20121019160024470888790.html>.

³³¹ 2012 marks new stage in China-LatAm ties, *Xinhua News Agency* (Beijing) 20 December 2012. Date of Access: 29 December 2012.

http://news.xinhuanet.com/english/china/2012-12/20/c_132052543.htm.

China (SAC) launched the Europe-China Standards Information Platform (CESIP) in Beijing for the strengthening of small and medium enterprises (SMEs) and trade between Europe and China.³³² CESIP, which is a one-stop shop, will make market information more accessible and time efficient.³³³

On 16 January 2013, the State Council announced the approval of a Medium-and Long-Term (2012-2030) Plan on Infrastructure Construction for China's Major Science and Technology Projects.³³⁴ The aim of the Plan is to increase investment as well as the efficiency of major infrastructure projects. The focus of the Plan is to promote China's capacity building in innovation, achieving scientific and technological breakthroughs, and accelerating the pace of infrastructure projects in various sectors such as energy, life, Earth systems and environments, materials, particle and nuclear physics, space and astronomy and engineering technology.³³⁵

On 1 March 2013, the Ministries of Commerce and Environment announced Guidelines on Environmental Protection for China's Outbound Investment and Cooperation, aiming at standardizing domestic investors' corporate social responsibility and environmental protection in overseas direct investments.³³⁶ The guideline is part of a series of policies that the Chinese government has launched in order to improve corporate social responsibility and ease overseas risks.³³⁷

On 5 March 2013, Premier Wen Jiabao, in his speech at the Parliament's Fifth Annual Session, stated that China would ease control over market access for nongovernmental investments.³³⁸ Premier Wen Jiabao explained that "in the current stage, the role investment plays in promoting economic growth cannot be underestimated, and the share of the governmental investment is decreasing."³³⁹

³³² News China – Europe: information and standards and market requirements, European Commission (Brussels) 24 October 2012. Date of Access: 30 January 2013.

http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6271&lang=en.

³³³ China – Europe: information and standards and market requirements, European Commission (Brussels) 18 December 2012. Date of Access: 30 January 2013.

http://ec.europa.eu/enterprise/magazine/articles/industrial-policy/article_11052_en.htm.

³³⁴ China Approves Science Infrastructure Plan, China Daily (Beijing) 16 January 2013. Date of Access: 13 February 2013.

http://www.chinadaily.com.cn/china/2013-01/16/content_16127710.htm.

³³⁵ China Approves Science Infrastructure Plan, China Daily (Beijing) 16 January 2013. Date of Access: 13 February 2013.

http://www.chinadaily.com.cn/china/2013-01/16/content_16127710.htm.

³³⁶ Green guidance on the way for Chinese companies operating abroad, China Daily (Beijing) 1 March 2013. Date of Access: 6 July 2013.

http://www.chinadaily.com.cn/kindle/2013-03/01/content_16265995.htm.

³³⁷ Green guidance on the way for Chinese companies operating abroad, China Daily (Beijing) 1 March 2013. Date of Access: 6 July 2013.

http://www.chinadaily.com.cn/kindle/2013-03/01/content_16265995.htm.

³³⁸ China to further "stimulate" private investment: report, Xinhua News Agency (Beijing) 5 March 2013. Date of Access: 6 July 2013.

http://news.xinhuanet.com/english/china/2013-03/05/c_132208412.htm.

³³⁹ China to further "stimulate" private investment: report, Xinhua News Agency (Beijing) 5 March 2013. Date of Access: 6 July 2013.

http://news.xinhuanet.com/english/china/2013-03/05/c_132208412.htm.

On 27 March 2013, Chinese President Xi Jinping, together with his BRICS counterparts, released the eThekweni Declaration on their Partnership for Development, Integration and Industrialisation.³⁴⁰ The Declaration informed of the BRICS' decision to establish a Development Bank that would focus on financing infrastructure projects.³⁴¹ The creation of a Contingent Reserve Arrangement (CRA) among the five nations was also announced as a precautionary measure, with the hope of forestalling short-term liquidity pressures and strengthening financial stability.³⁴²

On 4 May 2013, the State Administration of Foreign Exchange (SAFE) announced that it will simplify regulation governing Foreign Direct Investments (FDI) by abolishing twenty-four rules regarding foreign exchange registration, account openings, remittances, and conversions.³⁴³ This is the second round of deregulation efforts on FDI by SAFE following amendments made in November. On the same matter, Premier Li Keqiang urged governmental agencies to reduce red tape and cancel any unnecessary administrative approvals.³⁴⁴

On 4-5 June 2013, China welcomed the American delegation, headed by President of US Chamber of Commerce Thomas Donohue, to participate in the fourth China-US business leaders' and former senior officials' dialogue in Beijing. The focus of the dialogue was on working more closely to create a stronger impetus for economic growth and development.³⁴⁵ Premier Li Keqiang stated that the upcoming summit with President Barack Obama "will chart a blueprint for a new type of bilateral relationship that features equality, trust, tolerance, cooperation, and common prosperity."³⁴⁶

China has adopted a series of macroeconomic policies to promote a range of reforms to promote development, including fostering Inclusive Green Growth, promoting knowledge sharing activities, sustainable development, and infrastructure investment. Thus, China is awarded a score of +1.

³⁴⁰ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekweni Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 7 July 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>.

³⁴¹ Statement by BRICS leaders on the establishment of the BRICS-led Development Bank, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 7 July 2013.

<http://www.brics5.co.za/statement-by-brics-leaders-on-the-establishment-of-the-brics-led-development-bank/>.

³⁴² BRICS Bank to focus on funding infrastructure development, The Hindu (New Delhi) 27 March 2013. Date of Access: 7 July 2013.

<http://www.thehindu.com/business/Economy/brics-bank-to-focus-on-funding-infrastructure-development/article4554773.ece>.

³⁴³ China to simplify foreign exchange rules on foreign direct investment, Reuters (Shanghai) 10 May 2013. Date of Access: 6 July 2013.

<http://www.reuters.com/article/2013/05/11/us-china-fx-investment-idUSBRE94A01P20130511>.

³⁴⁴ China to simplify foreign exchange rules on foreign direct investment, Reuters (Shanghai) 10 May 2013. Date of Access: 6 July 2013.

<http://www.reuters.com/article/2013/05/11/us-china-fx-investment-idUSBRE94A01P20130511>.

³⁴⁵ Deeper China-US cooperation to drive economic growth, China Daily (Beijing) 4 June 2013. Date of Access: 6 July 2013.

http://www.chinadaily.com.cn/china/2013-06/04/content_16566941.htm.

³⁴⁶ Deeper China-US cooperation to drive economic growth, China Daily (Beijing) 4 June 2013. Date of Access: 6 July 2013.

http://www.chinadaily.com.cn/china/2013-06/04/content_16566941.htm.

India: +1

India has fully complied with its commitment to promote a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.

On 30 October 2012, the Reserve Bank of India (RBI) cut the cash reserve ratio (CRR) from 4.5 per cent to 4.25 per cent, designed to inject INR175 billion of liquidity into the banking system and ease the growth-inflation dynamic in the economy.³⁴⁷ Such policy initiatives seek to manage inflation and revitalize economic activity for sustained growth.

On 14 September 2012 and 4 October 2012, the RBI called for further Foreign Direct Investment (FDI) liberalization.³⁴⁸ The FDI liberalizations of 14 September call for increased liberalization and FDI inflows in the retail sector, including aviation, broadcasting, and brand retail. The 4 October measure calls for a 26 per cent foreign investment ceiling in the pension sector, designed to allow for longer-term growth in India.³⁴⁹ As a follow up to the FDI liberalizations, in January 2013, Finance Minister Palaniappan Chidambaram met foreign investors in Asia and Europe. The focus of those meetings was mainly in infrastructure as it is the main priority of the Indian government. Trips to the United States and Canada are to follow.³⁵⁰

On 29 September 2012, the Reserve Bank of India (RBI) proposed the creation of a National Investment Board (NIB), to be headed by the prime minister, pending cabinet approval.³⁵¹ The NIB would work to clear major infrastructure investment, avoid delays in production, and provide a clearer and less uncertain investment environment.

On 8 October 2012, Deputy Governor of the RBI Dr. K. C. Chakrabarty reiterated the government's commitment to strengthen the environment for India's Micro, Small and Medium Enterprise (MSME) sector.³⁵² On 1 August 2012, the RBI issued a directive to banks to provide

³⁴⁷ Second Quarter Review of Monetary Policy 2012-13 Press Statement by Dr. D. Subbarao, Reserve Bank of India (Mumbai) 30 October 2012. Date of Access: 30 December 2012.
http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=27483.

³⁴⁸ Macroeconomic and Monetary Developments Second Quarter Review 2012-13, Reserve Bank of India (Mumbai) 29 October 2012. Date of Access: 30 December 2012.
<http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/0MD2910C88C124.pdf>.

³⁴⁹ Macroeconomic and Monetary Developments Second Quarter Review 2012-13, Reserve Bank of India (Mumbai) 29 October 2012. Date of Access: 30 December 2012.
<http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/0MD2910C88C124.pdf>.

³⁵⁰ India Plans Roadshows to Attract Foreign Investment, The Wall Street Journal (New York) 11 January 2013. Date of Access: 13 February 2013.
<http://online.wsj.com/article/SB10001424127887324081704578235072606220586.html>.

³⁵¹ Macroeconomic and Monetary Developments Second Quarter Review 2012-13, Reserve Bank of India (Mumbai) 29 October 2012. Date of Access: 30 December 2012.
<http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/0MD2910C88C124.pdf>.

³⁵² Address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at the Interactive Session organized by the Bombay Chamber of Commerce and Industry (Mumbai) 8 October 2012. Date of Access: 30 December 2012. http://rbi.org.in/scripts/BS_SpeechesView.aspx?Id=739.

additional financial literacy and consultative support, in addition to creating supportive policies for loans and reducing administrative barriers for business owners.³⁵³

In a move to create greater financial inclusion in credit delivery, the RBI announced new guidelines on priority sector lending on 30 October 2012.³⁵⁴ One initiative included re-categorizing agricultural loans of up to INR20 million for eligible partnerships and cooperatives as direct finance to agriculture. In December 2012, external commercial borrowing was allowed for developers and builders of low cost affordable housing projects.³⁵⁵

On 7 December 2012, Dr. Chakrabarty shared six steps to create growth in the Indian Economy: “(1) to preserve demographic dividends by investing in human capital; (2) to improve productivity and efficiency; (3) to revive infrastructure investments and harness natural resources better; (4) to improve governance at every level; (5) to enforce accountability [...]; and (6) to make finance more responsive to real sector and promote inclusive growth.”³⁵⁶ Dr. Chakrabarty emphasized the importance of the RBI in helping to achieve such growth.

On 20 December 2012, India’s Ministry of Finance announced that the government would undertake major measures to promote growth in the country’s economy.³⁵⁷ Measures taken will include: “better access to finance for manufacturing sector, fast tracking of large investment projects in the areas of power, petroleum and gas, roads, coal, [and] strengthening of [the] financial and banking sector.”³⁵⁸ Other high growth measures include: “enhancing the level of investment for agriculture sector including irrigation projects, promoting Micro, Small & Medium Enterprises sector by way of higher allocation of funds, enhancing investment in the infrastructure sector focusing on Public Private Partnerships, [and the] introduction of a new National Manufacturing Policy.”³⁵⁹

On 24 December 2012, Minister of State for Planning and Parliamentary Affairs Rajeev Shukla stated that the goal of the “12th [Five-Year Economic] Plan, as proposed in the draft, is to achieve

³⁵³ Micro and Small Enterprises Sector – The imperative of Financial Literacy and consultancy support, Reserve Bank of India (Mumbai) 1 August 2012. Date of Access: 15 January 2013.
<http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7488&Mode=0>.

³⁵⁴ Second Quarter Review of Monetary Policy 2012-13 Press Statement by Dr. D. Subbarao, Reserve Bank of India (Mumbai) 30 October 2012. Date of Access: 31 December 2012.
http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=27483.

³⁵⁵ Monetary and Credit Information Review, Reserve Bank of India (Mumbai) 31 December 2012. Date of Access: 31 December 2012.
<http://www.rbi.org.in/scripts/PublicationsView.aspx?id=14758>.

³⁵⁶ Address delivered by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at the interaction with members of Delhi Chapter of the Young Presidents Organization (New Delhi) 7 December 2012. Date of Access: 30 December 2012.
http://rbi.org.in/scripts/BS_SpeechesView.aspx?Id=759.

³⁵⁷ Government takes Several Measures for Growth Revival, Press Information Bureau of Government of India (Mumbai) 20 December 2012. Date of Access: 30 December 2012.
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=91083>.

³⁵⁸ Government takes Several Measures for Growth Revival, Press Information Bureau of Government of India (Mumbai) 20 December 2012. Date of Access: 30 December 2012.
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=91083>.

³⁵⁹ Government takes Several Measures for Growth Revival, Press Information Bureau of Government of India (Mumbai) 20 December 2012. Date of Access: 30 December 2012.
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=91083>.

“faster, sustainable and more inclusive growth.”³⁶⁰ On 27 December 2012, the draft plan of the 12th Five-Year Plan was given to the National Development Council (NDC) for final approval.³⁶¹

On 31 January 2013, India hosted the 13th Delhi Sustainable Development Summit (DSDS) with a focus on “the Global Challenge of Resource-Efficient Growth and Development.” In his inaugural speech, Prime Minister Manmohan Singh stated India’s commitment to sustainable development and the protection of the fragile ecosystems and praising the work done by The Energy and Resources Institute (TERI) towards resource efficiency.³⁶²

On 5 February 2013, Finance Minister Palaniappan Chidambaram announced cuts on budget spending in order to reduce the fiscal deficit and attract more foreign direct investments (FDI) by increasing investors’ confidence.³⁶³ For that reason, on 14 January 2013, the finance minister announced the delay of the enforcement of General Anti-Avoidance Rules (GAAR) to 2016 as there are concerns that the national tax system might becoming more hostile.³⁶⁴ After the recommendations of the Foreign Investment Promotion Board (FIPB) on 11 January 2013, the central government approved 14 FDI projects.³⁶⁵

On 28 February 2013, Finance Minister Palaniappan Chidambaram presented to the Parliament a plan to boost growth. The plan consists of a series of measures, including the construction of two new ports, two new industrial corridors, and seven new smart cities.³⁶⁶ Minister Chidambaram mentioned the creation of a regulator to boost road projects and lift obstacles faced by investors.³⁶⁷ Furthermore, Minister Chidambaram announced his proposal to raise the corpus of

³⁶⁰ Combining reforms with inclusive growth is our key focus, The Hindu Business Line (New Dehli) 24 December 2012. Date of Access: 30 December 2012. <http://www.thehindubusinessline.com/industry-and-economy/combining-reforms-with-inclusive-growth-is-our-key-focus/article4235689.ece>.

³⁶¹ Draft 12th Plan document to be placed before NDC on Dec 27, The Economic Times (Mumbai) 20 December 2012. Date of Access: 30 December 2012. http://articles.economictimes.indiatimes.com/2012-12-20/news/35933978_1_draft-12th-plan-document-ndc-chief-ministers-and-cabinet.

³⁶² Hon'ble Prime Minister Dr. Manmohan Singh Inaugurates TERI's Delhi Sustainable Development Summit (DSDS) 2013 on 'Global Challenge of Resource-Efficient Growth and Development', Reuters (London) 31 January 2013. Date of Access: 13 February 2013. <http://www.reuters.com/article/2013/02/01/idUSnPrekKVM3a+11c+PRN20130201>.

³⁶³ India Budget Cuts Designed to Spur Foreign Investment, India Briefing (New Delhi) 5 February 2013. Date of Access: 13 February 2013. <http://www.india-briefing.com/news/india-budget-cuts-designed-to-spur-foreign-investment-5843.html/>.

³⁶⁴ India Delays Tax-Avoidance Clampdown to Spur Investment Inflows, Bloomberg (New York) 14 January 2013. Date of Access: 13 February 2013. <http://www.bloomberg.com/news/2013-01-14/india-delays-tax-avoidance-clampdown-to-spur-investment-inflows.html>.

³⁶⁵ Rs.1,311 Cr Worth FDI Proposals Cleared, The Hindu (New Delhi) 11 January 2013. Date of Access: 13 February 2013. <http://www.thehindu.com/business/Economy/rs1311-cr-worth-fdi-proposals-cleared/article4298401.ece>.

³⁶⁶ Big boost to infrastructure investment, The Hindu (New Delhi) 28 February 2013. Date of Access: 7 July 2013. <http://www.thehindu.com/business/Economy/big-boost-to-infrastructure-investment/article4462430.ece>.

³⁶⁷ Chidambaram presents Budget 2013, makes strong pitch for inclusive development, The Times of India (Mumbai) 28 February 2013. Date of Access: 7 July 2013. http://articles.timesofindia.indiatimes.com/2013-02-28/union-budget/37351702_1_p-chidambaram-chidamabram-finance-minister.

the Rural Infrastructure Development Fund (RIDF) in 2013-2014 to INR20 billion and INR5 billion for the construction of storage units for agricultural products.³⁶⁸ In regards to new high-value investments the government proposed the issuance of an allowance for the time period of 1 April 2013 to 31 March 2015, where companies would be able to deduct 15 per cent of their investment in addition to the current rates of depreciation.³⁶⁹

On 20 March 2013, Small Industries Development Bank of India (SIDBI) signed a tripartite Memorandum of Understanding (MoU) with the Social Fund for Development (SFD), Egypt and the World Bank.³⁷⁰ The MoU aims to strengthen the ties of the two countries by transferring technology and enabling Indian entrepreneurs to expand their businesses into Egypt.³⁷¹ As SIDBI Deputy Managing Director NK Maini stated, “the historical bond between the two countries would be further strengthened and SMEs in Egypt would benefit immensely from the expertise developed by SIDBI in several areas.”³⁷²

On 28 March 2013, Prime Minister Manmohan Singh concluded his visit to Durban where he attended the BRICS Summit. The five nations announced the establishment of a Development Bank to finance infrastructure projects and the creation of a USD100 billion contingency fund that could be used in case of financial crises in the emerging economies.³⁷³ The Prime Minister met on the sidelines with his Chinese and Russian counterparts and pledged to intensify communications and dialogue.³⁷⁴

In April 2013, Finance Minister Palaniappan Chidambaram held a series of presentations in Canada and the United States to attract international investors.³⁷⁵ The Minister was accompanied

³⁶⁸ Big boost to infrastructure investment, The Hindu (New Delhi) 28 February 2013. Date of Access: 7 July 2013. <http://www.thehindu.com/business/Economy/big-boost-to-infrastructure-investment/article4462430.ece>.

³⁶⁹ Big boost to infrastructure investment, The Hindu (New Delhi) 28 February 2013. Date of Access: 7 July 2013. <http://www.thehindu.com/business/Economy/big-boost-to-infrastructure-investment/article4462430.ece>.

³⁷⁰ SIDBI signs MoU with Egypt for their SME sector Development, Business Standard (New Delhi) 20 March 2013. Date of Access: 7 July 2013. http://www.business-standard.com/article/finance/sidbi-signs-mou-with-egypt-for-their-sme-sector-development-113032000173_1.html.

³⁷¹ SIDBI signs MoU with Egypt for their SME sector Development, Business Standard (New Delhi) 20 March 2013. Date of Access: 7 July 2013. http://www.business-standard.com/article/finance/sidbi-signs-mou-with-egypt-for-their-sme-sector-development-113032000173_1.html.

³⁷² SIDBI signs MoU with Egypt for their SME sector Development, Business Standard (New Delhi) 20 March 2013. Date of Access: 7 July 2013. http://www.business-standard.com/article/finance/sidbi-signs-mou-with-egypt-for-their-sme-sector-development-113032000173_1.html.

³⁷³ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekweni Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 7 July 2013. <http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>.

³⁷⁴ PM Manmohan Singh leaves for home after attending BRICS Summit in Durban, The Times of India (Mumbai) 28 March 2013. Date of Access: 7 July 2013. http://articles.timesofindia.indiatimes.com/2013-03-28/india/38098751_1_brics-summit-president-xi-jinping-infrastructure-projects.

³⁷⁵ Chidambaram to begin week long tour to Canada, US tomorrow, The Times of India (Mumbai) 13 April 2013. Date of Access: 7 July 2013.

by senior Finance Ministry officials and RBI Deputy Governor Urjit Patel, in order to seek investments in infrastructure projects.³⁷⁶ His visit is part of a global tour to various countries, among them Germany, Malta³⁷⁷, Singapore, Japan, and Qatar, to promote India as an attractive investment destination.³⁷⁸

On 11 April 2013, Prime Minister Manmohan Singh, in a joint press conference with German Chancellor Angela Merkel, upon the conclusion of the second Indo-Germany Governmental Consultations, stated that both sides have come closer to concluding a balanced India-EU broad-based Trade and Investment Agreement.³⁷⁹ The two leaders also agreed to initiate a high technology partnership group with expanded defense cooperation through technology transfer, co-development and co-production in India.³⁸⁰

On 14 May 2013, Finance Minister Palaniappan Chidambaram met top bank executives and industrialists.³⁸¹ The focus of the meeting was to speed up infrastructure investments by addressing procedural and structural issues in order to boost growth and attract more investors as it was estimated that hundreds of projects were falling behind schedule due to administrative and legal bottlenecks.³⁸²

India received a score of +1 for implementing policy reforms that encourage growth, inclusive development, infrastructure investment, and for its focus on measures to create a more equitable investment environment for small and medium enterprises and larger businesses.

Analyst: Katie Clancy
Lead Analyst: Eleni Tsaliki

http://articles.timesofindia.indiatimes.com/2013-04-13/india/38511084_1_p-chidambaram-fiscal-deficit-global-economy.

³⁷⁶ Chidambaram to begin week long tour to Canada, US tomorrow, The Times of India (Mumbai) 13 April 2013. Date of Access: 7 July 2013.

http://articles.timesofindia.indiatimes.com/2013-04-13/india/38511084_1_p-chidambaram-fiscal-deficit-global-economy.

³⁷⁷ India, Malta sign tax agreements, Times of Malta (Valletta) 9 April 2013. Date of Access: 7 July 2013. <http://www.timesofmalta.com/articles/view/20130409/local/India-Malta-sign-tax-agreements.464843>.

³⁷⁸ Chidambaram to visit Dubai tomorrow to woo investments, The Indian Express (New Delhi) 25 May 2013. Date of Access: 7 July 2013.

<http://www.indianexpress.com/news/chidambaram-to-visit-dubai-tomorrow-to-woo-investments/1120534/>.

³⁷⁹ India, European Union move closer to free trade pact, The Hindu (New Delhi) 11 April 2013. Date of Access: 7 July 2013.

<http://www.thehindu.com/news/national/india-european-union-move-closer-to-free-trade-pact/article4605952.ece>.

³⁸⁰ India, European Union move closer to free trade pact, The Hindu (New Delhi) 11 April 2013. Date of Access: 7 July 2013.

<http://www.thehindu.com/news/national/india-european-union-move-closer-to-free-trade-pact/article4605952.ece>.

³⁸¹ Chidambaram meets bankers, industrialists to speed up projects, The Times of India (Mumbai) 14 May 2013. Date of Access: 7 July 2013.

<http://timesofindia.indiatimes.com/business/india-business/Chidambaram-meets-bankers-industrialists-to-speed-up-projects/articleshow/20050506.cms>.

³⁸² Chidambaram meets bankers, industrialists to speed up projects, The Times of India (Mumbai) 14 May 2013. Date of Access: 7 July 2013.

<http://timesofindia.indiatimes.com/business/india-business/Chidambaram-meets-bankers-industrialists-to-speed-up-projects/articleshow/20050506.cms>.

Indonesia: +1

Indonesia has fully complied with its commitment to promote a range of reforms that spur development by improving the investment climate and enhancing infrastructure investment. Indonesia has both continued with reforms initiated prior to the Los Cabos Summit and commenced a new round of reforms directed towards sustainable economic development.

On 7 August 2012, the Government of Indonesia released a regulation concerning land acquisition. The new regulation is designed with a goal of stimulating infrastructure development.³⁸³ In an effort to speed up land acquisition for development projects, the regulation specifies the upper limit for the completion of acquisitions as a maximum of 583 days.³⁸⁴

On 3 October 2012, Indonesia participated in a workshop jointly organized by the United Nations Environment Programme (UNEP), International Monetary Fund (IMF), and German Agency for International Cooperation (GIZ).³⁸⁵ At the workshop, Indonesia's representative Laksmi Dhewanthi delivered a presentation on the topic of fiscal policy for an inclusive green economy in Indonesia.³⁸⁶ The presentation included a generalized fiscal policy direction for 2013 based on sustainable economic growth through fiscal restructuring (state revenue optimization, improving the quality of government spending, controlling the budget deficit, and reducing the debt ratio to GDP), as well as a set of characteristics the green economy in Indonesia is expected to exhibit. These included: low carbon emissions, less hazardous waste production, sustainable use of biological diversity, and maintenance of the environment's natural carrying capacity.³⁸⁷ A more specific fiscal policy focus outlined incentives for biofuels and geothermal, a reduction in the fossil fuel subsidy, government guarantees for green infrastructure, enlistment of international climate finance, and the optimization of domestic finance. At present, the government has not yet taken action to eliminate the fossil fuel subsidy³⁸⁸, and there is no evidence of policy reform that matches those presented at the workshop.

³⁸³ Editorial: Making the Most of Land Acquisition Law, The Jakarta Globe (Jakarta) 10 August 2012. Date of Access: 29 December 2012.

<http://www.thejakartaglobe.com/editorials/editorial-making-the-most-of-land-acquisition-law/537050>.

³⁸⁴ Presidential Regulation Implements the Land Acquisition Law, The Legal 500 (Indonesia) August 2012. Date of Access: 29 December 2012.

<http://www.legal500.com/c/indonesia/developments/21374>.

³⁸⁵ UNEP-IMF-GIZ Workshop Fiscal Policies Towards an Inclusive Green Economy, United Nations Environment Programme (Nairobi) October 2012. Date of Access: 30 January 2013.

<http://www.unep.org/greeneconomy/WorkshopsConferences/FiscalPolicies/tabid/105008/language/en-US/Default.aspx>.

³⁸⁶ Fiscal Policy towards an Inclusive Green in Indonesia, United Nations Environment Programme (Nairobi) 4 October 2012. Date of Access: 30 January 2013.

http://www.unep.org/greeneconomy/Portals/88/documents/research_products/Fiscal%20Policies/Brief_Presentation_Indonesia_UNEP_IMF_GIZ_Workshop%202012.pdf.

³⁸⁷ Fiscal Policy towards an Inclusive Green in Indonesia, United Nations Environment Programme (Nairobi) 4 October 2012. Date of Access: 30 January 2013.

http://www.unep.org/greeneconomy/Portals/88/documents/research_products/Fiscal%20Policies/Brief_Presentation_Indonesia_UNEP_IMF_GIZ_Workshop%202012.pdf.

³⁸⁸ Renewable energy seems unlikely in near future: Minister, The Jakarta Post (Jakarta) 6 November 2012. Date of Access: 28 December 2012.

<http://www.thejakartapost.com/news/2012/11/06/renewable-energy-seems-unlikely-near-future-minister.html>.

On 19 November 2012, Indonesia participated in the Association of Southeast Asian Nations (ASEAN) Plus Three Summit where Indonesia indicated a desire to cooperate and share experience with South Korea in the spheres of infrastructure, small and medium enterprises (SMEs), information and communication technology (ICT), and green technology.³⁸⁹ Leaders at the Summit agreed to expand cooperation in the ASEAN-China Free Trade Agreement to “further increase the efficiency, cooperation, and competitiveness of [...] SMEs.”³⁹⁰

Further evidence of the government’s effort to foster growth and development is the additional financing earmarked for Indonesia-led reform programs approved by the World Bank. On 20 November 2012, the World Bank announced three new development policy loans (DPLs). According to the World Bank, the Indonesian government requested for these policy loans aiming at reforms that will “improve public financial management, advance the connectivity agenda, as well as strengthen the financial sector and accelerate investment.”³⁹¹ According to the World Bank’s Country Director for Indonesia Stefan Koeberle, “these DPLs will contribute to the strengthening of Indonesia’s central Government institutions and systems, to make them more effective and accountable. This in turn will help improve national connectivity, enhance the quality of government spending and improve financial system stability and investment climate.”³⁹²

On 23 November 2012, the government reported it is considering several innovative measures to solve the financing and logistical bottleneck issues surrounding infrastructure development.³⁹³ Deputy Head of Infrastructure and Regional Development at the Office of the Coordinating Economic Minister Wahyu Utomo said “to support infrastructure development, we are considering developing a new institution, which has yet to be named. This institution will be responsible for preparing project proposals that are sufficiently viable to be offered to private investors.”³⁹⁴ According to Wahyu Utomo, the government is “considering issuing infrastructure bonds to obtain financing to enhance project preparations.”³⁹⁵

³⁸⁹ ASEAN leaders meet with lame-duck guests, The Jakarta Post (Phnom Penh) 20 November 2012. Date of Access: 29 December 2012.

<http://www.thejakartapost.com/news/2012/11/20/asean-leaders-meet-with-lame-duck-guests.html>.

³⁹⁰ ASEAN leaders meet with lame-duck guests, The Jakarta Post (Phnom Penh) 20 November 2012. Date of Access: 29 December 2012.

<http://www.thejakartapost.com/news/2012/11/20/asean-leaders-meet-with-lame-duck-guests.html>.

³⁹¹ World Bank Approves New Financing for Priority Reforms in Indonesia, World Bank (Washington) 20 November 2012. Date of Access: 29 December 2012.

<http://www.worldbank.org/en/news/2012/11/20/world-bank-approves-new-financing-priority-reforms-indonesia>.

³⁹² World Bank Approves New Financing for Priority Reforms in Indonesia, World Bank (Washington) 20 November 2012. Date of Access: 29 December 2012.

<http://www.worldbank.org/en/news/2012/11/20/world-bank-approves-new-financing-priority-reforms-indonesia>.

³⁹³ Infrastructure on red alert, players call for solutions, The Jakarta Post (Jakarta) 23 November 2012. Date of Access: 3 January 2013.

<http://www.thejakartapost.com/news/2012/11/23/infrastructure-red-alert-players-call-solutions.html>.

³⁹⁴ Infrastructure on red alert, players call for solutions, The Jakarta Post (Jakarta) 23 November 2012. Date of Access: 3 January 2013.

<http://www.thejakartapost.com/news/2012/11/23/infrastructure-red-alert-players-call-solutions.html>.

³⁹⁵ Infrastructure on red alert, players call for solutions, The Jakarta Post (Jakarta) 23 November 2012. Date of Access: 3 January 2013.

<http://www.thejakartapost.com/news/2012/11/23/infrastructure-red-alert-players-call-solutions.html>.

On 14 December 2012, President of Indonesia Susilo Bambang Yudhoyono signed a government regulation that has provided PT Sarana Multi Infrastruktur (SMI), an infrastructure financing company, an additional Rp2 trillion aimed at accelerating infrastructure development across the country.³⁹⁶

On 19 November 2012, Indonesia was granted a USD300 million loan by the Asian Development Bank (ADB) to facilitate infrastructure development and connect the country's less-developed rural areas to urban growth centers.³⁹⁷ This program seeks to promote private sector participation, create a more conducive business climate, and enhance new technology and innovation.³⁹⁸ In addition, the ADB plans to provide Indonesia with a grant worth USD1 million towards technical assistance in order to strengthen the capacity of government agencies.³⁹⁹

On 17 December 2012, Finance Minister Agus Martowardojo announced in an interview that his Ministry is "preparing to provide incentives for investment in sectors that [...] currently need [it the] most such as basic metal processing or smelters, renewable energy and refineries."⁴⁰⁰ These incentives will be in the form of tax holidays—similar to those issued by the government in August of 2011.⁴⁰¹

On 27 December 2012, Government of Indonesia announced it would finance state projects in 2013 with rupiah-denominated sukuk Islamic bonds in an attempt to accelerate infrastructure development. Investment in infrastructure has lagged, as domestic banks are reluctant to finance long-term infrastructure projects due to their low internal rate of return (IRR) and high risks.⁴⁰² According to the 2013 state budget financial note, the Finance Ministry plans to borrow up to IDR1 trillion (USD103.5 million).⁴⁰³ Director of Islamic Financing Policy at the Finance Ministry Debt Management Office Dahlan Siamat believes that Islamic-based bonds may be the solution to

³⁹⁶ Accelerating Infrastructure Development, Government to Allocate IDR2 Trillion for PT SMI, Republic of Indonesia Ministry of Finance, Fiscal News (Jakarta) 9 January 2013. Date of Access: 7 February 2013. http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25593&thn=2013&name=en_09012013_1.htm.

³⁹⁷ ADB to provide \$300m for rural infrastructure, The Jakarta Post (Jakarta) 19 November 2012. Date of Access: 3 January 2013. <http://www.thejakartapost.com/news/2012/11/19/adb-provide-300m-rural-infrastructure.html>.

³⁹⁸ ADB to provide \$300m for rural infrastructure, The Jakarta Post (Jakarta) 19 November 2012. Date of Access: 3 January 2013. <http://www.thejakartapost.com/news/2012/11/19/adb-provide-300m-rural-infrastructure.html>.

³⁹⁹ ADB to provide \$300m for rural infrastructure, The Jakarta Post (Jakarta) 19 November 2012. Date of Access: 3 January 2013. <http://www.thejakartapost.com/news/2012/11/19/adb-provide-300m-rural-infrastructure.html>.

⁴⁰⁰ Discourse: Investment to play bigger role in 2013 economy: Finance Minister, The Jakarta Post (Jakarta) 17 December 2012. Date of Access: 3 January 2013. <http://www2.thejakartapost.com/news/2012/12/17/investment-play-bigger-role-2013-economy-finance-minister.html>.

⁴⁰¹ Unilever, Petrokimia receive tax holidays, The Jakarta Post (Jakarta) 28 December 2012. Date of Access: 3 January 2013. <http://www2.thejakartapost.com/news/2012/12/28/unilever-petrokimia-receive-tax-holidays.html>.

⁴⁰² Govt to use sukuk for infrastructure projects, The Jakarta Post (Jakarta) 27 December 2012. Date of Access: 4 January 2012. <http://www2.thejakartapost.com/news/2012/12/27/govt-use-sukuk-infrastructure-projects.html>.

⁴⁰³ Govt to use sukuk for infrastructure projects, The Jakarta Post (Jakarta) 27 December 2012. Date of Access: 4 January 2012. <http://www2.thejakartapost.com/news/2012/12/27/govt-use-sukuk-infrastructure-projects.html>.

the reluctance of Indonesian banks to finance infrastructure-related projects.⁴⁰⁴ Since sukuk adhere to Islamic investing principles, the infrastructure projects can serve as collateral against the bonds.⁴⁰⁵

In December 2012, the government of Indonesia in close collaboration with the World Bank prepared a new Country Partnership Strategy (CPS). The strategy is in alignment with the government's development objects as outlined in Indonesia's Master Plan for accelerated growth.⁴⁰⁶ According to the World Bank Group, the new CPS with Indonesia "focuses on engagement areas identified by the government as priorities ... where the Bank Group can be most helpful in helping produce development results."⁴⁰⁷

On 1 January 2013, Bank Indonesia (BI) put into effect a new productive loan target for banks.⁴⁰⁸ The target is set so that 20 per cent of a bank's loan portfolio must be comprised of credits to micro, small, and medium enterprises.⁴⁰⁹ The policy design seeks to increase credit activity to the Small- and Medium Enterprise (SME) sector.⁴¹⁰

On 7 January 2013, Government of Indonesia unveiled the scheduling of 146 projects worth USD57 billion as a part of the government's economic master plan MP3EI.⁴¹¹ The schedule consists of 82 infrastructure and 64 private sector projects aiming at faster economic growth.

On 1 February 2013, Vice Minister of Finance Mahendra Siregar stated that Government of Indonesia will focus on addressing problems in infrastructure⁴¹² as "infrastructure is required to stimulate increasing economic growth."⁴¹³

⁴⁰⁴ Govt to use sukuk for infrastructure projects, The Jakarta Post (Jakarta) 27 December 2012. Date of Access: 4 January 2012.

<http://www2.thejakartapost.com/news/2012/12/27/govt-use-sukuk-infrastructure-projects.html>.

⁴⁰⁵ Govt to use sukuk for infrastructure projects, The Jakarta Post (Jakarta) 27 December 2012. Date of Access: 4 January 2012.

<http://www2.thejakartapost.com/news/2012/12/27/govt-use-sukuk-infrastructure-projects.html>.

⁴⁰⁶ Masterplan Acceleration and Expansion of Indonesia Economic Development 2011-2025, Ministry for Economic Affairs (Jakarta) May 2011. Date of Access: 15 January 2013.

[http://www.depkeu.go.id/ind/others/bakohumas/bakohumaskemenko/PDFCompleteToPrint\(24Mei\).pdf](http://www.depkeu.go.id/ind/others/bakohumas/bakohumaskemenko/PDFCompleteToPrint(24Mei).pdf).

⁴⁰⁷ Latest Country Partnership Strategy for Indonesia Focuses on Growth with Equity, World Bank (Washington) 11 December 2012. Date of Access: 28 December 2012.

<http://www.worldbank.org/en/news/2012/12/11/latest-country-partnership-strategy-indonesia-focuses-growth-equity>.

⁴⁰⁸ SME Credits Opportunities for Banking, Indonesia Finance Today (Jakarta) 2 January 2013. Date of Access: 4 January 2013.

<http://en.indonesiainancetoday.com/read/27988/SME-Credits-Opportunities-for-Banking->

⁴⁰⁹ SME Credits Opportunities for Banking, Indonesia Finance Today (Jakarta) 2 January 2013. Date of Access: 4 January 2013.

<http://en.indonesiainancetoday.com/read/27988/SME-Credits-Opportunities-for-Banking->

⁴¹⁰ SME Credits Opportunities for Banking, Indonesia Finance Today (Jakarta) 2 January 2013. Date of Access: 4 January 2013.

<http://en.indonesiainancetoday.com/read/27988/SME-Credits-Opportunities-for-Banking->

⁴¹¹ Now Fulfill Those Infrastructure Plans, Jakarta Globe (Jakarta) 7 January 2013 Date of Access: 15 January 2013.

<http://www.thejakartaglobe.com/editorials/editorial-now-fulfill-those-infrastructure-plans/564844>.

⁴¹² Improving Infrastructure, Governance as the Main Point, Republic of Indonesia Ministry of Finance, Fiscal News (Jakarta) 1 February 2013. Date of Access: 7 February 2013.

http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25809&thn=2013&name=en_01022013_4.htm.

On 5 February 2013, the Ministry of Finance announced that a new Public Private Partnership (PPP) Unit is to be established immediately.⁴¹⁴ The Unit will support and facilitate infrastructure projects as a means to ensure Indonesia's continued economic development.⁴¹⁵ It will operate under its supervision.⁴¹⁶

In November 2013, the Indonesia International Infrastructure Conference and Exhibition will take place in support of the government's USD414 billion Master Plan for the Acceleration and Expansion of Indonesia's Economic Development (MP3EI).⁴¹⁷ The event is expected to foster dialogue with private investors that will accelerate the country's growth, as according to the deputy for public-private partnerships at the National Development Planning Agency (Bappenas), Bastari Panji: "infrastructure remains the biggest constraint on Indonesia's economic progress."⁴¹⁸

In May 2013, Industry Minister MS Hidayat revealed to the public that the government of Indonesia is in the process of formulating a series of fiscal incentives aimed at promoting the development of green industry. To facilitate this initiative, the Indonesian Chamber of Commerce and Industry will collaborate with the Indonesian Environment Ministry to determine the most appropriate set of incentives and establish a task force to implement the program.⁴¹⁹

On 15 May 2013, Coordinating Economic Minister Hatta Rajasa stated that the government would revise the tax incentives and tax allowance rules implemented over the past few years in order to make Indonesia more investor-friendly and maintain economic growth in the country. The changes are expected to be implemented later in 2013.⁴²⁰

On 17 May 2013, at the conclusion of the three-day Indonesian Petroleum Association (IPA) Conference and Exhibition, Government of Indonesia reiterated its commitment to improve the

⁴¹³ Improving Infrastructure, Governance as the Main Point, Republic of Indonesia Ministry of Finance, Fiscal News (Jakarta) 1 February 2013. Date of Access: 7 February 2013.

http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25809&thn=2013&name=en_01022013_4.htm.

⁴¹⁴ PPP Unit under MoF to be Established Immediately, Republic of Indonesia Ministry of Finance, Fiscal News (Jakarta) 5 February 2013. Date of Access: 7 February 2013.

http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25826&thn=2013&name=en_050213_02.htm.

⁴¹⁵ PPP Unit under MoF to be Established Immediately, Republic of Indonesia Ministry of Finance, Fiscal News (Jakarta) 5 February 2013. Date of Access: 7 February 2013.

http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25826&thn=2013&name=en_050213_02.htm.

⁴¹⁶ PPP Unit under MoF to be Established Immediately, Republic of Indonesia Ministry of Finance, Fiscal News (Jakarta) 5 February 2013. Date of Access: 7 February 2013.

http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25826&thn=2013&name=en_050213_02.htm.

⁴¹⁷ Infrastructure Event Aims To Attract Global Investors, The Jakarta Globe (Jakarta) 16 January 2013. Date of Access: 12 February 2013.

<http://www.thejakartaglobe.com/business/infrastructure-event-aims-to-attract-global-investors/565883>.

⁴¹⁸ Infrastructure Event Aims To Attract Global Investors, The Jakarta Globe (Jakarta) 16 January 2013. Date of Access: 12 February 2013.

<http://www.thejakartaglobe.com/business/infrastructure-event-aims-to-attract-global-investors/565883>.

⁴¹⁹ Government prepares incentives for green industry, Jakarta Post (Jakarta) 8 May 2013. Date of Access: 6 June 2013.

<http://www.thejakartapost.com/news/2013/05/08/government-prepares-incentives-green-industry.html>.

⁴²⁰ Govt offers incentives to draw more investment, Jakarta Post (Jakarta) 16 May 2013. Date of Access: 26 June 2013.

<http://www.thejakartapost.com/news/2013/05/16/govt-offers-incentives-draw-more-investment.html>.

investment climate of the oil and gas industry by promising to move forward with robust bureaucratic reforms.⁴²¹

On 28 May 2013, Finance Minister Chatib Basri announced that the Indonesian government will introduce more tax incentives to spur innovation and growth, and reduce the country's dependence on imports. The tax-reduction schemes will be given to companies investing in research and development, and allocated strategically to industries producing intermediate goods.⁴²²

On 18 June 2013, Government of Indonesia launched a two-year green growth initiative developed in coordination with the Global Green Growth Institution (GGGI) based in South Korea. The goal is to pursue sustainable and environmental friendly development. The three main components of the initiative include: (1) greening the planning process; (2) developing a funding mechanism to facilitate green growth; and (3) providing support for provincial governments to prioritize and implement green growth.⁴²³

On 19 June 2013, Indonesia's Investment Coordinating Board (BKPM) and its Belgian counterpart, the Wallonia Foreign Trade and Investment Agency, signed an agreement for the purpose of facilitating greater investment between the two countries via information sharing, joint promotional events, etc. The agreement was signed during the Indonesia Investment Marketing (IIM) forum held in Brussels, where the Belgian-Indonesian Chamber of Commerce (BICC) was also launched.⁴²⁴

Indonesia has fully complied with its commitment to promote development and growth through by improving the investment climate and enhancing infrastructure investment. Thus, Indonesia is awarded a score of +1.

Analyst: Jennifer Prenger

Mexico: +1

Mexico has fully complied with its commitment to promote a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.

⁴²¹ Government vows to take steps to enhance investment climate for oil and gas industry, Jakarta Post (Jakarta) 21 May 2013. Date of Access: 6 June 2013. <http://www.thejakartapost.com/news/2013/05/21/government-vows-take-steps-enhance-investment-climate-oil-and-gas-industry.html>.

⁴²² Govt planning fiscal incentives to spur economy next year, Jakarta Post (Jakarta) 29 May 2013. Date of Access: 6 June 2013. <http://www.thejakartapost.com/news/2013/05/29/govt-preparing-fiscal-incentives-spur-economy-next-year.html>.

⁴²³ RI launches green initiative in cooperation with int'l group, Jakarta Post (Jakarta) 19 June 2013. Date of Access: 26 June 2013. <http://www.thejakartapost.com/news/2013/06/19/ri-launches-green-initiative-cooperation-with-int-l-group.html>.

⁴²⁴ RI, Belgium agree to promote investments, Jakarta Post, (Jakarta) 21 June 2013. Date of Access: 26 June 2013. <http://www.thejakartapost.com/news/2013/06/21/ri-belgium-agree-promote-investments.html>.

On 1 December 2012, Mexico's President Enrique Peña Nieto took office after making numerous campaign promises to enact policy reforms and boost economic growth.⁴²⁵ President Nieto's commitments included opening up the energy sector to foreign investment and "reforms to foster private competition."⁴²⁶ In September 2012, former President Calderon's last reforms in office included a "labor reform to flexibilize labor markets" and "[The Law on Government Accounting], a public transparency initiative to improve information and monitoring of governments."⁴²⁷

On 19 July 2012, Minister of Economy Bruno Ferrari Garcia de Alba, in his speech at the 73th National Congress of the Confederation of Custom Brokers of the Mexican, spoke of Mexico's recently adopted measures to boost the economy and continuing commitment to promotion of external growth and programs that support the investment climate such as "the federal government's strategy to further trade facilitation with the introduction of the Foreign Affairs' One-Stop Window, export control regimes, entry into force the Trans-Pacific Partnership, and, not least, a frontal attack on customs undervaluation."⁴²⁸

On 20 July 2012, Minister Ferrari spoke of the government's plans to "ensure certainty and security for investment, adding partners and strengthening ties with countries and businesses that consolidate Mexico as one of the best productive investment destinations."⁴²⁹ Minister Ferrari estimated that by August 2012, planned Foreign Direct Investment (FDI) would amount to almost USD6.5 billion, largely in the activity in the auto sector.⁴³⁰

On 29 October 2012, Mexico participated in the First Annual Global Partnership for Financial Inclusion (GPMI) Conference on "Standard-Setting Bodies and Financial Inclusion: Promoting Financial Inclusion through Proportionate Standards and Guidance."⁴³¹ Mexican Executive Vice-President Miguel Angel Garza presented Mexico's financial inclusion strategy and the measures

⁴²⁵ Investor Update: Can Mexico Push Through Economic Reforms and Boost Growth?, Forbes (New York) 18 December 2012. Date of Access: 30 December 2012.

<http://www.forbes.com/sites/nathanielparishflannery/2012/12/18/investor-update-can-mexico-push-through-economic-reforms-and-boost-growth/>.

⁴²⁶ Mexico: IMF Country Report, International Monetary Fund (Washington) November 2012. Date of Access: 30 December 2012.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12316.pdf>.

⁴²⁷ Mexico: IMF Country Report, International Monetary Fund (Washington) November 2012. Date of Access: 30 December 2012.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12316.pdf>.

⁴²⁸ Mexico Is Becoming Major Exporting Power, Ministry of Economy (Mexico City) 19 July 2012. Date of Access: 2 January 2012.

<http://www.economia.gob.mx/news-and-events/press-room/headlines/8317-boletin160-12-en>.

⁴²⁹ Increase in Foreign Investment, Result of Economic Discipline and Solidity, Ministry of Economy (Mexico City) 20 July 2012. Date of Access: 30 December 2012.

<http://www.economia.gob.mx/en/8302-bol-comunicado-de-prensa-no-15912-en>.

⁴³⁰ Mexico: 2012 ARTICLE IV CONSULTATION, International Monetary Fund (Washington) November 2012. Date of Access: 30 December 2012.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12317.pdf>.

⁴³¹ 1st Annual GPMI Conference on Standard-Setting Bodies and Financial Inclusion, Global Partnership for Financial Inclusion (Basel) 29 October 2012. Date of Access: 15 January 2013.

<http://www.gpmi.org/news-and-events/events-and-meetings/1st-annual-gpmi-conference-standard-setting-bodies-and-financial-inclusion>.

taken so far to expand access to financial services in areas such as banking agents, mobile payments, flexible risk-based account opening procedures, and new intermediaries.⁴³²

On 5 and 22 November 2012, Mexico acquired a full legal framework in relation to the implementation of infrastructure projects under the Public-Private Partnership (PPP) framework through publishing in the Federal Official Gazette the new Regulations and Guidelines to the Public-Private Partnership Law (“PPP Regulations”).⁴³³ Project developers and financial institutions welcomed the new legislation, which is hoped to create legal safety keys for future investments under the PPP framework.⁴³⁴

On 9 January 2013, Mexico and the Economic Commission for Latin America and the Caribbean (ECLAC) signed a Memorandum of Understanding (MOU) for the promotion of sustainable development in the region. The MoU brought attention to the economic importance of: (1) achieving lower carbon emissions, (2) sustainable management of forestry, biodiversity, and water resources, (3) limiting environmental impact on seas and coasts, and (4) transfer of technology.⁴³⁵

On 5-9 March 2013, Mexico participated in the Caribbean Forum and the Conference on Sustainable Development in Latin America and the Caribbean: Follow-Up to the Development Agenda Beyond 2015 And Rio+20.⁴³⁶ The focus of the Forum was on issues of global and regional development and their implications.⁴³⁷ At the conference, Mexico reiterated its commitment to the Rio Declaration on Environment and Development and urged all participants to join the initiative.⁴³⁸

⁴³² Presentation by Executive Vice-President, Miguel Angel Garza C. at the 1st Annual GPMI Conference on Standard-Setting Bodies and Financial Inclusion, Global Partnership for Financial Inclusion (Basel) 29 October 2012. Date of Access: 15 January 2013.

<http://www.gpmi.org/sites/default/files/events/Session%20%20GPMI%20SSBs%20Conference%20Plenary%20Mexico%20presentation.pdf>.

⁴³³ Mexico has a full legal framework for implementing public-private partnerships -PPP-, Lexology, Association of Corporate Counsel (London) 15 December 2012. Date of Access: 15 January 2013.

<http://www.lexology.com/library/detail.aspx?g=ed31e534-e1de-48e2-ba59-5b1ed430c1de>.

⁴³⁴ Mexico has a full legal framework for implementing public-private partnerships -PPP-, Lexology, Association of Corporate Counsel (London) 15 December 2012. Date of Access: 15 January 2013.

<http://www.lexology.com/library/detail.aspx?g=ed31e534-e1de-48e2-ba59-5b1ed430c1de>.

⁴³⁵ ECLAC, Mexico ink sustainable development accord, English News (Mexico City) 10 January 2013. Date of Access: 15 January 2013.

http://news.xinhuanet.com/english/world/2013-01/10/c_132092453.htm.

⁴³⁶ Summary of the Caribbean Forum and the Conference on Sustainable Development in Latin America and the Caribbean: Follow-up to the Development Agenda Beyond 2015 and Rio+20, International Institute for Sustainable Development (New York) 11 March 2013. Date of Access: 18 July 2013.

<http://www.iisd.ca/vol05/enb05306e.html>.

⁴³⁷ Caribbean Forum: Shaping a Sustainable Development Agenda to address the Caribbean Reality in the 21st Century and Conference on Sustainable Development in Latin America and the Caribbean: Follow-up to the development agenda beyond 2015 and Rio+20, International Institute for Sustainable Development (New York) 5 March 2013. Date of Access: 5 July 2013.

<http://www.iisd.ca/csd/eclac/>.

⁴³⁸ Caribbean Forum: Shaping a Sustainable Development Agenda to address the Caribbean Reality in the 21st Century and Conference on Sustainable Development in Latin America and the Caribbean: Follow-up to the development agenda beyond 2015 and Rio+20, International Institute for Sustainable Development (New York) 5 March 2013. Date of Access: 5 July 2013.

On 8-11 June 2013, Mexico participated in the Council Session of the Global Growth Institute and the Global Green Growth Summit in South Korea. The purpose of the Summit was to share experiences and to generate policies in relation to Green Growth.⁴³⁹

Mexico has implemented a set of policy reforms to promote development with a focus of investment environment and green growth. Thus, Mexico is awarded a score of +1.

*Analyst: Katie Clancy
Lead Analyst: Eleni Tsaliki*

Russia: +1

Russia has complied with its commitment on emerging market growth.

Russia has taken measures on conducting a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment.

On 1 November 2012, the Russian Central Bank Board of Directors approved the Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015. According to the Guidelines “the Bank of Russia will continue gradually increasing the exchange rate flexibility in the next three years and intends to abolish operational benchmarks for the level of the exchange rate in its exchange rate policy and to switch to a floating exchange rate by 2015”.⁴⁴⁰

On 4 October 2012, Russian Prime Minister instructed the Ministry of Transport, the Government of the Moscow Region and the Moscow Government to prepare a list of priorities for building motor roads in the Moscow Region. Prime Minister mentioned that there would be an opportunity to provide up to RUB30 billion (about USD1 billion) of additional financing for this project in 2013-2015. Additionally, up to RUB15 billion (USD500 million) will be available for the construction of crossovers in 2012.⁴⁴¹

On 8 November 2012, the Russian Government approved basic parameters of an investment program for the state company Russian Railways for the period of 2013-2015. The three-year budget provides for over RUB1 trillion (approximately USD33 billion) allocations. They will be mainly used to improve the railway transport infrastructure.⁴⁴²

On 7 December 2012, Russian President participated in the ground-breaking ceremony for the South Stream gas pipeline. He noted that the gas pipeline projected capacity is 63 billion cubic

<http://www.iisd.ca/csd/eclac/>.

⁴³⁹ Mexico and South Korea for Green Growth, Presidencia de la Republica (Mexico City) 27 May 2013. Date of Access: 5 July 2013.

<http://en.presidencia.gob.mx/mexico-and-south-korea-for-green-growth/>.

⁴⁴⁰ Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015, Bank of Russia 1 November 2012. http://www.cbr.ru/eng/today/publications_reports/on_13-eng.pdf.

⁴⁴¹ List of Prime Minister Dmitry Medvedev’s Instructions following a Working Meeting on Road Infrastructure Development in the Moscow Region on October 4, 2012, Official Website of the Government of the Russian Federation 9 October 2012. Date of Access: 28 January 2013. <http://government.ru/eng/docs/22358/>

⁴⁴² Government meeting, Official Website of the Government of the Russian Federation 8 November 2012. Date of Access: 28 January 2013. <http://government.ru/eng/docs/21416/>

meters. To ensure it can deliver this amount, Russia will expand its transportation capacity and invest in the construction of 10 new pumping stations.⁴⁴³

On 28 December 2012, the Russian Government endorsed the State Program «Development of the Transport System». The program is designed to «launch over 2,500 kilometers of new rail tracks, build and renovate 14,000 kilometers of federal and regional motorways, increase the capacity of ports by 356 million tones, bring up to code nearly 100 airport runways, and replace a significant portion of the rolling stock» by 2020.⁴⁴⁴ Total program financing will amount to RUB12.5 trillion (USD0.4 trillion), RUB7.3 trillion (about USD0.25 trillion) of which are budget funds.⁴⁴⁵

On 31 January 2013, Russian President issued a list of instructions to the Russian Government and several federal and regional bodies on improving investment climate in the regions of Russia. Russian Government will develop a system of granting for Russian regions, which are successful in attracting investments; draft proposals on reducing redundant powers of federal bodies, affecting business climate; amend the legislation to create a system of state support of industrial parks.⁴⁴⁶

During the monitoring period the Russian Government continued to implement the National Business Initiative, which “is expected to systematically improve the investment climate”. The initiative is implemented according to the roadmaps, “which deal with various spheres of government regulation” and “stipulate concrete results”.⁴⁴⁷ The Government adopted the following roadmaps: improving customs administration,⁴⁴⁸ support to foreign markets access and export support⁴⁴⁹ on 29 June 2012, increasing availability of energy infrastructure⁴⁵⁰ on 30 June 2012 and on improving investment climate in the construction industry on 16 August 2012.⁴⁵¹

Russia has taken measures on conducting a range of reforms to promote development, including improving the investment climate and enhancing infrastructure investment. Thus Russia has been awarded a score of +1.

Analyst: Mark Rakhmangulov

⁴⁴³ South Stream will ensure reliable Russian gas supplies to main consumers in Europe, President of Russia 7 December 2012. Date of Access: 28 January 2013. <http://eng.kremlin.ru/news/4723>

⁴⁴⁴ Government meeting, Official Website of the Government of the Russian Federation 23 November 2012. Date of Access: 28 January 2013. <http://government.ru/eng/docs/21576/>

⁴⁴⁵ State Program of the Russian Federation «Development of the Transport System» is approved by the Russian Government Executive Order No. 2600-r of 28 December 2012, Ministry of Transport of the Russian Federation 11 January 2013. Date of Access: 28 January 2013. http://www.mintrans.ru/documents/detail.php?ELEMENT_ID=19443

⁴⁴⁶ List of Instructions after the State Council Meeting, President of Russia 31 January 2013. <http://kremlin.ru/assignments/17512>.

⁴⁴⁷ Dmitry Medvedev takes part in the round table discussion, National Business Initiative: Initial Results, Next Steps, Russian Government 15 February 2013. <http://www.government.ru/eng/docs/22826/>.

⁴⁴⁸ Roadmap on Improving Customs Administration, Agency for Strategic Initiatives (Moscow) June 2012. Date of Access: 18 April 2013. <http://asi.ru/initiatives/npi/tamozhnya/>.

⁴⁴⁹ Roadmap on Supporting Access to Foreign Markets, and Export Support, Agency for Strategic Initiatives (Moscow) June 2012. Date of Access: 18 April 2013. <http://asi.ru/initiatives/npi/export/>.

⁴⁵⁰ Roadmap on Improving Access to Energy Infrastructure, Agency for Strategic Initiatives (Moscow) June 2012. Date of Access: 18 April 2013. <http://asi.ru/initiatives/npi/energetica/>.

⁴⁵¹ Roadmap on Improving the Business Climate in the Construction Industry, Agency for Strategic Initiatives (Moscow) August 2012. Date of Access: 18 April 2013. <http://asi.ru/initiatives/npi/stroitelstvo/>.

Saudi Arabia: +1

Saudi Arabia has fully complied with its commitment to promote a range of reforms for the promotion of development. Saudi Arabia has increased its investment in infrastructure as well as allocated funds for development projects.

In August 2012, the government of Saudi Arabia revealed its plans for new public transportation and construction projects. The projects will be spanning over the period of the next five years and are meant to boost growth and address social needs.⁴⁵² The future projects include a USD16.5 billion plan to modernise public transport in Mecca⁴⁵³ as well as a USD9.3 billion project for a metro system in Jeddah.⁴⁵⁴ Hani Mohammed Aburas, the mayor of Jeddah, referred the transport project as “crucial.”⁴⁵⁵ These extensive public infrastructure projects have generated a lot of interest among investors as well as a note of caution from the International Monetary Fund (IMF) warning against excessive spending.⁴⁵⁶

Saudi Arabia’s Minister of Finance Ibrahim Al Assaf responded to the IMF’s warning by ensuring that the funding for the projects will come from secure investments and not be borrowed from the country’s reserves or compromise the economy’s ability to absorb fiscal shocks.⁴⁵⁷ Minister Al Assaf expressed confidence that Saudi Arabia will continue to grow at a sustained pace.

In November 2012, at the 18th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Doha, Saudi Arabia — together with Bahrain, Qatar, and the United Arab Emirates — pledged to bring forward climate-smart economic diversification plans.⁴⁵⁸ Saudi Arabia has projected USD109 billion investments in solar energy for the creation of permanent sources of clean energy.⁴⁵⁹

⁴⁵² Saudi Arabia: Inflation Risk Downplayed, Oxford Business Group (London) 13 November 2012. Date of Access: 31 December 2012.

http://www.oxfordbusinessgroup.com/economic_updates/saudi-arabia-inflation-risk-downplayed.

⁴⁵³ Saudi Arabia: Inflation Risk Downplayed, Oxford Business Group (London) 13 November 2012. Date of Access: 31 December 2012.

http://www.oxfordbusinessgroup.com/economic_updates/saudi-arabia-inflation-risk-downplayed.

⁴⁵⁴ Saudi Arabia: Inflation Risk Downplayed, Oxford Business Group (London) 13 November 2012. Date of Access: 31 December 2012.

http://www.oxfordbusinessgroup.com/economic_updates/saudi-arabia-inflation-risk-downplayed.

⁴⁵⁵ Saudi Arabia: Inflation Risk Downplayed, Oxford Business Group (London) 13 November 2012. Date of Access: 31 December 2012.

http://www.oxfordbusinessgroup.com/economic_updates/saudi-arabia-inflation-risk-downplayed.

⁴⁵⁶ Saudi Arabia: Inflation Risk Downplayed, Oxford Business Group (London) 13 November 2012. Date of Access: 31 December 2012.

http://www.oxfordbusinessgroup.com/economic_updates/saudi-arabia-inflation-risk-downplayed.

⁴⁵⁷ Saudi Arabia: Inflation Risk Downplayed, Oxford Business Group (London) 13 November 2012. Date of Access: 31 December 2012.

http://www.oxfordbusinessgroup.com/economic_updates/saudi-arabia-inflation-risk-downplayed.

⁴⁵⁸ Green energy can lead to stability and development, Gulf News (Jeddah) 26 December 2012. Date of Access: 15 January 2013.

<http://gulfnews.com/business/opinion/green-energy-can-lead-to-stability-and-development-1.1123896>.

⁴⁵⁹ Green energy can lead to stability and development, Gulf News (Jeddah) 26 December 2012. Date of Access: 15 January 2013.

<http://gulfnews.com/business/opinion/green-energy-can-lead-to-stability-and-development-1.1123896>.

On 29 December 2012, Saudi Arabia announced its budget for the year 2013. The country's new budget commits USD500 billion to infrastructure and other development projects aimed at promoting sustained growth and stability.⁴⁶⁰ Saudi Arabia's King Abdullah has pledged USD500 billion for infrastructure, public services, and social projects as a way to tackle unemployment, increase growth, and ensure the inclusiveness of Saudi Arabia's economic development.⁴⁶¹

Additionally, the Ministry of Finance of Saudi Arabia has stated that the budget will focus on investment programs that enhance long-term sustainable growth for all citizens.⁴⁶² Saudi Arabia's budget strives to diversify the economy away from oil by providing new measures for economic stability.⁴⁶³ The commitment to economic growth outlined in the budget has created a favourable outlook among investors. Finally, the budget increases spending on infrastructure by 16 per cent.⁴⁶⁴

On 7 February 2013, Saudi Arabia signed four agreements with Jordan for development projects worth of USD299 million, including infrastructure projects and funding of technical community colleges and university infrastructure funding in different sectors such as health, education, water, and transportation.⁴⁶⁵

On 7 May 2013, Capital Market Authority (CMA) Chairman Mohammed bin Abdulmalik Al-Sheikh, stated Saudi Arabia is finalising a regulatory framework which will attract foreign investors and encourage institutional investment by diversifying investment instruments and funds.⁴⁶⁶

On 28 May 2013, Saudi Finance Minister Ibrahim Al-Assaf praised the many initiatives that the Saudi Arabian government has taken to strengthen small and medium enterprises (SMEs) in the

⁴⁶⁰ Saudi Arabia Boosts Spending Goal by Fifth in Record Budget, Bloomberg (New York) 29 December 2012. Date of Access: 31 December 2012.
<http://www.bloomberg.com/news/2012-12-29/saudi-arabia-boosts-2013-spending-in-record-budget-state-tv.html>.

⁴⁶¹ Saudi Arabia Boosts Spending Goal by Fifth in Record Budget, Bloomberg (New York) 29 December 2012. Date of Access: 31 December 2012.
<http://www.bloomberg.com/news/2012-12-29/saudi-arabia-boosts-2013-spending-in-record-budget-state-tv.html>.

⁴⁶² Saudi Arabia Boosts Spending Goal by Fifth in Record Budget, Bloomberg (New York) 29 December 2012. Date of Access: 31 December 2012.
<http://www.bloomberg.com/news/2012-12-29/saudi-arabia-boosts-2013-spending-in-record-budget-state-tv.html>.

⁴⁶³ Saudi Arabia Boosts Spending Goal by Fifth in Record Budget, Bloomberg (New York) 29 December 2012. Date of Access: 31 December 2012.
<http://www.bloomberg.com/news/2012-12-29/saudi-arabia-boosts-2013-spending-in-record-budget-state-tv.html>.

⁴⁶⁴ Saudi Arabia Boosts Spending Goal by Fifth in Record Budget, Bloomberg (New York) 29 December 2012. Date of Access: 31 December 2012.
<http://www.bloomberg.com/news/2012-12-29/saudi-arabia-boosts-2013-spending-in-record-budget-state-tv.html>.

⁴⁶⁵ Jordan, S. Arabia Sign \$299.4m Deals to Finance Development Projects, The Jordan Times (Amman) 7 February 2013. Date of Access: 13 February 2013.
<http://jordantimes.com/jordan-s-arabia-sign-2994m-deals-to-finance-development-projects>.

⁴⁶⁶ Saudi Arabia finalising regulations for foreign ownership – CMA, Reutes (London) 7 May 2013. Date of Access: 28 June 2013.
<http://www.reuters.com/article/2013/05/07/saudi-stocks-market-idUSL6N0DO1BS20130507>.

country.⁴⁶⁷ Al-Assaf stated that the many initiatives have helped SMEs drive growth in the kingdom, and announced that the Saudi Credit and Savings Bank's capital has been increased to SR36 billion to provide more loans to start-up SMEs.⁴⁶⁸ Further, Al-Assaf reiterated his government's support for SMEs via such initiatives and stated Saudi Arabia's commitment to promote SMEs by increasing government support for these ventures.⁴⁶⁹

Saudi Arabia has been awarded a score of +1 for enacting policies that promote economic development through green growth and improve the investment climate.

Analyst: David Gelles

South Africa: +1

South Africa has fully complied with its commitment to promote a range of reforms that spur development, including improving the investment climate and enhancing infrastructure investment. The government of South Africa has been working to foster trade relations, strengthen regional cooperation, and encourage infrastructure development, thus enhancing the country's business and investment climate.

On 8-10 May 2013, South Africa hosted the 23rd World Economic Forum on Africa. The main theme of the Forum was growth and development, with special attention being paid to creating inclusive and sustainable growth, accelerating infrastructure development, improving competitiveness, and economic diversification.⁴⁷⁰

On 7 May 2013, the Department of Trade and Industry released a statement in which Deputy Minister of Trade and Industry Elizabeth Thabethe declared infrastructure development and skills transfer vital for growth. Deputy Minister Thabethe announced the government's intention to coordinate and carry out business missions across the continent in order to boost inter-African trade and infrastructure development. She stated that the government of South Africa would encourage small and medium enterprises to play a larger role in the mainstream economy.⁴⁷¹

On 24 April 2013, in a statement released by the Ministry of Trade and Industry, Deputy Minister Thabethe reaffirmed the government's commitment to "supporting the development of the small, medium and micro enterprises (SMMEs) because of the critical role that they play in the country's economy."⁴⁷² According to Deputy Minister Thabethe, the government will focus not

⁴⁶⁷ Al-Assaf: SMEs enjoying many benefits, Zawya (Dubai) 29 May 2013. Date of Access: 25 June 2013. http://www.zawya.com/story/AlAssaf_SMEs_enjoying_many_benefits-ZAWYA20130529031256/.

⁴⁶⁸ Al-Assaf: SMEs enjoying many benefits, Zawya (Dubai) 29 May 2013. Date of Access: 25 June 2013. http://www.zawya.com/story/AlAssaf_SMEs_enjoying_many_benefits-ZAWYA20130529031256/.

⁴⁶⁹ Al-Assaf: SMEs enjoying many benefits, Zawya (Dubai) 29 May 2013. Date of Access: 25 June 2013. http://www.zawya.com/story/AlAssaf_SMEs_enjoying_many_benefits-ZAWYA20130529031256/.

⁴⁷⁰ South Africa to host the 2013 World Economic Forum on Africa, South African Government Information (Pretoria) 11 April 2013. Date of Access: 7 June 2012. <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=35676&tid=104329>.

⁴⁷¹ Infrastructure development is vital for Africa's growth – Deputy Minister Thabethe, South African Government Information (Pretoria) 7 May 2013. Date of Access: 7 June 2013. <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=36256&tid=106252>.

⁴⁷² SA Government is committed to supporting SMME development – Deputy Minister Thabethe, South African Government Information (Pretoria) 24 April 2013. Date of Access: 7 June 2013. <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=36015&tid=105434>.

only on supporting the growth of existing SMMEs, but on increasing the number of new SMMEs in the country.⁴⁷³

On 27 March 2013, the government of South Africa, in conjunction with its BRICS partners, announced an initiative to establish a new BRICS-led Development Bank. The inspiration for this initiative was the obstacles faced by developing countries when trying to address deficient infrastructure, such as insufficient financing and foreign direct investment.⁴⁷⁴ The New Development Bank will serve as a means to assemble funds for infrastructure and sustainable development projects in developing countries and emerging economies.⁴⁷⁵ Furthermore, the Industrial Development Corporation (IDC) signed three Memoranda of Understanding (MoUs) with its Chinese, Russian, and Brazilian counterparts in order to improve economic growth and job creation through mutual cooperation.⁴⁷⁶ Economic Development Minister Ebrahim Patel said that “South Africa is ready to partner with investors from other BRICS countries to expand [the country’s] manufacturing base and support the development of small businesses.”⁴⁷⁷

On 6 March 2013, the South African government, in conjunction with its BRICS partners, announced that the BRICS member states would launch a BRICS Business Council with the goal of strengthening trade, investment, and economic ties between the member countries. According to the Minister of Trade and Industry, Dr. Rob Davies, the Council will promote “...trade and industry and business cooperation, technology transfer and development, tapping business opportunities in third countries and multilateral business, advisory role, cooperation in the fields of manufacturing, infrastructure, banking and financial services, green economy, skills development, and training and small and medium enterprises.”⁴⁷⁸

South Africa has formulated a new National Development Plan (2030) entitled “Our future — make it work.”⁴⁷⁹ On 15 August 2012, a final draft of the plan was handed over to President Jacob Zuma⁴⁸⁰; and in September 2012, the Cabinet endorsed the plan’s objectives and key targets.⁴⁸¹

⁴⁷³ SA Government is committed to supporting SMME development – Deputy Minister Thabethe, South African Government Information (Pretoria) 24 April 2013. Date of Access: 7 June 2013.

<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=36015&tid=105434>.

⁴⁷⁴ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekweni Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 24 June 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>.

⁴⁷⁵ Statement by BRICS Leaders on the establishment of the BRICS-LED Development Bank, Fifth BRICS Summit, South African Government Information (Pretoria) 27 March 2013. Date of Access: 7 June 2013.

<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=35343&tid=103048>.

⁴⁷⁶ IDC signs MoUs with Brics counterparts, Engineering News (Johannesburg) 27 March 2013. Date of Access: 7 July 2013.

<http://www.engineeringnews.co.za/article/idc-signs-mous-with-brics-counterparts-2013-03-27>.

⁴⁷⁷ IDC signs MoUs with Brics counterparts, Engineering News (Johannesburg) 27 March 2013. Date of Access: 7 July 2013.

<http://www.engineeringnews.co.za/article/idc-signs-mous-with-brics-counterparts-2013-03-27>.

⁴⁷⁸ BRICS Business Council statement, South African Government Information (Pretoria) 6 March 2013. Date of Access: 7 June 2013.

<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=34749&tid=100667>.

⁴⁷⁹ National Development Plan 2030, South African Government Information (Pretoria) 15 August 2012. Date of Access: 3 January 2013.

<http://www.info.gov.za/issues/national-development-plan/index.html>.

⁴⁸⁰ President Zuma receives plan for better future, South African Government News Agency (Cape Town) 15 August 2012. Date of Access: 3 January 2013.

<http://www.sanews.gov.za/news/12/12081514351002>.

One of the six pillars of the plan is “bringing about faster economic growth, higher investment and greater labour absorption.”⁴⁸² According to the Plan, South Africa must establish a solid base of business and social infrastructure, grow an inclusive economy, professionalize the public service, boost private investment, and ensure environmental sustainability.⁴⁸³

In February 2012, South Africa introduced a National Infrastructure Plan comprised of 18 Strategic Integrated Projects (SIPs) that cover social and economic infrastructure across all nine provinces of the country.⁴⁸⁴ On 19 October 2012, ministers and potential investors met to sign a Memorandum of Understanding (MOU) to move the infrastructure rollout plan forward.⁴⁸⁵ At the meeting, President Zuma acknowledged infrastructure development to be “a catalyst to sustainable economic development.”⁴⁸⁶ In this light, the government announced that it would contribute ZAR844 billion for the infrastructure projects over the next three years.⁴⁸⁷ According to Minister of Economic Development Ebrahim Patel, the government is committed to being the driving force behind the programme but the private sector will also have to play its role.⁴⁸⁸

On 6 December 2012, the Cabinet announced a new Infrastructure Development Bill.⁴⁸⁹ The Bill assists to coordinate and fast-track South Africa Strategic Infrastructure Projects and guarantees the future of the Presidential Infrastructure Coordinating Commission (PICC).⁴⁹⁰ The PICC is

⁴⁸¹ National Development Plan endorsed by Cabinet, South African Government News Agency (Pretoria) 7 September 2012. Date of Access: 3 January 2013.

<http://www.sanews.gov.za/news/12/12090711551001>.

⁴⁸² National Development Plan endorsed by Cabinet, South African Government News Agency (Pretoria) 7 September 2012. Date of Access: 3 January 2013.

<http://www.sanews.gov.za/news/12/12090711551001>.

⁴⁸³ National Development Plan 2030: Our future – make it work, South African Government Information (Pretoria) 15 August 2012. Date of Access: 3 January 2013.

<http://www.info.gov.za/view/DynamicAction?pageid=623&myID=348761>.

⁴⁸⁴ National Infrastructure Plan, South African Government Information (Pretoria) 13 December 2012. Date of Access: 3 January 2013.

<http://www.info.gov.za/issues/national-infrastructure-plan/index.html>.

⁴⁸⁵ Investors, govt meet to discuss infrastructure, South African Government News Agency (Johannesburg) 19 October 2012. Date of Access: 3 January 2013.

<http://www.sanews.gov.za/news/12/12101912251002>.

⁴⁸⁶ Investors, govt meet to discuss infrastructure, South African Government News Agency (Johannesburg) 19 October 2012. Date of Access: 3 January 2013.

<http://www.sanews.gov.za/news/12/12101912251002>.

⁴⁸⁷ Govt to be main driver in build programme, South African Government News Agency (Pretoria) 19 October 2012. Date of Access: 4 January 2013.

<http://www.sanews.gov.za/news/12/12102209251001>.

⁴⁸⁸ Govt to be main driver in build programme, South African Government News Agency (Pretoria) 19 October 2012. Date of Access: 4 January 2013.

<http://www.sanews.gov.za/news/12/12102209251001>.

⁴⁸⁹ Cabinet approves Infrastructure Development Bill, Engineering News Online (Johannesburg) 6 December 2012. Date of Access: 4 January 2013.

<http://www.engineeringnews.co.za/article/cabinet-approves-infrastructure-development-bill-2012-12-06>.

⁴⁹⁰ Cabinet approves Infrastructure Development Bill, Engineering News Online (Johannesburg) 6 December 2012. Date of Access: 4 January 2013.

<http://www.engineeringnews.co.za/article/cabinet-approves-infrastructure-development-bill-2012-12-06>.

responsible for “supporting, integrating, and coordinating South Africa’s long-term infrastructure build.”⁴⁹¹

In December 2012, the African National Congress (ANC) at its 53rd National Conference elaborated on its commitments, progress and challenges regarding issues of development. Resolutions were made in relation to, among other issues, infrastructure, industrial policies, small and medium enterprises (SMEs) and cooperatives, the developmental state, macroeconomic policies, land reform and rural development, institutional development, and state capacity.⁴⁹²

On 15 September 2012, Minister of Trade and Industry Rob Davies announced the Incubation Support Programme (ISP).⁴⁹³ Through the Programme, public-private partnerships (PPPs) are encouraged to form a support system for incubators that help to develop small, medium, and micro enterprises (SMMEs) into sustainable businesses and thus contribute to economic development. According to Minister Davies, this program promotes a more inclusive economic participation across the country as well as provides the necessary infrastructure and business development services required by new businesses.⁴⁹⁴

On 30 August 2012, Deputy Minister of Trade and Industry Elizabeth Thabethe concluded a technical mission to India where Deputy Minister Thabethe learned about the government of India’s progress on the development of the country’s SMMEs. During the visit, Indian institutions presented solutions tailored for South African SMMEs regarding key challenges such as technology, market development, and access to finance.⁴⁹⁵

In August 2012, the Industrial Development Corporation (IDC) of South Africa and the Export-Import Bank of the United States signed a USD2 billion Declaration of Intent to advance South Africa’s green energy initiatives, specifically the Integrated Resource Plan and the South African Renewable Initiative.⁴⁹⁶ The IDC is a national development finance institution established to support industrial development and economic growth.⁴⁹⁷

⁴⁹¹ Cabinet approves Infrastructure Development Bill, Engineering News Online (Johannesburg) 6 December 2012. Date of Access: 4 January 2013.

<http://www.engineeringnews.co.za/article/cabinet-approves-infrastructure-development-bill-2012-12-06>.

⁴⁹² ANC Conference Resolution: On Economic Transformation, PoliticsWeb (Pretoria) 4 February 2013. Date of Access: 12 February 2013.

<http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page71654?oid=355019&sn=Detail&pid=71654>.

⁴⁹³ Davies to launch programme to develop small business, South African Government News Agency (Pretoria) 14 September 2012. Date of Access: 28 December 2012.

<http://www.sanews.gov.za/news/12/12091409351001>.

⁴⁹⁴ Davies to launch programme to develop small business, South African Government News Agency (Pretoria) 14 September 2012. Date of Access: 28 December 2012.

<http://www.sanews.gov.za/news/12/12091409351001>.

⁴⁹⁵ Technical mission to India to help SMMEs, South African Government News Agency (Pretoria) 20 August 2012. Date of Access: 29 December 2012.

<http://www.sanews.gov.za/news/12/12082010151002>.

⁴⁹⁶ SA, US sign energy deal, South African Government News Agency (Pretoria) 8 August 2012. Date of Access: 28 December 2012.

<http://www.sanews.gov.za/news/12/12080809551002>.

⁴⁹⁷ SA, US sign energy deal, South African Government News Agency (Pretoria) 8 August 2012. Date of Access: 28 December 2012.

<http://www.sanews.gov.za/news/12/12080809551002>.

South Africa has taken over as co-chair of the Forum on China-Africa Cooperation (FOCAC) for the next six years. At the Fifth Ministerial Conference of FOCAC in July 2012, the Beijing Action Plan (2013-2015) was released and all participating countries, including South Africa, pledged to fully implement the initiatives outlined in the plan.⁴⁹⁸ The Action Plan prioritizes infrastructure development, encourages and supports mutual investment. It also encourages the signees to explore new ways to expand investment cooperation, and make progress on bilateral agreements that promote and protect investment and foster an enabling investment environment.⁴⁹⁹

South Africa has taken a series of actions to promote development reforms, including those directed at improving the investment climate and enhancing infrastructure investment. Thus, South Africa is awarded a score of +1.

*Analyst: Jennifer Prenger
Lead Analyst: Eleni Tsaliki*

Turkey: 0

Turkey has partially complied with its commitment to promote a range of reforms that spur development. The government of Turkey has taken steps to improve investment climate through a series of international agreements.

On 19 June 2012, the Cabinet approved a new incentive package aimed at increasing domestic production of import-dependent products and incentivizing investors to increase high-value-added investments.⁵⁰⁰

On 1 July 2012, the new Turkish Commercial Code (TCC) and the Turkish Code of Obligations (TCO) took effect.⁵⁰¹ These two regulations are part of an ambitious infrastructure and energy strategy, the Turkish government initiated a few years ago with the purpose of creating a more investor-friendly environment.⁵⁰² The major changes that come along with the new Codes, are among others; (1) acquisition of treasury stock of up to ten percent of a company's share capital; (2) conditional capital increase of third parties; (3) lifting the prohibition on transfer of "capital in

⁴⁹⁸ China, Africa pledge to implement Beijing Action Plan, South African Government News Agency (Pretoria) 22 July 2012. Date of Access: 29 December 2012.

<http://www.sanews.gov.za/news/12/12072210351001>.

⁴⁹⁹ China, Africa pledge to implement Beijing Action Plan, South African Government News Agency (Pretoria) 22 July 2012. Date of Access: 29 December 2012.

<http://www.sanews.gov.za/news/12/12072210351001>.

⁵⁰⁰ The Legislation on New Investment Incentives Program Has Been Published, Ministry of Economy (Ankara) 20 June 2012. Date of Access: 30 January 2013.

<http://www.economy.gov.tr/index.cfm?sayfa=gundem&kat=CF702B04-D8D3-8566-45209E35C619A72C&icerik=8AFE23DF-9D97-F5AA-11B77B3520696F17>.

⁵⁰¹ Development and opportunities in the Turkish market, Lexology (London) 7 December 2012. Date of Access: 5 January 2012.

<http://www.lexology.com/library/detail.aspx?g=15e7ccb0-e2bf-404d-90e2-9349aa24a43f>.

⁵⁰² Development and opportunities in the Turkish market, Lexology (London) 7 December 2012. Date of Access: 5 January 2012.

<http://www.lexology.com/library/detail.aspx?g=15e7ccb0-e2bf-404d-90e2-9349aa24a43f>.

kind shares”; (4) simplification of the merger and demerger procedures; and (5) increased shareholders’ minority rights.⁵⁰³

In December 2012, the Secretariat of the Coordination Council for the Improvement of Investment Environment in Turkey (YOIKK) provided training to 26 experts from 19 countries, members of the Islamic Development Bank (IsDB), on its reforms to boost the investment climate and economic development.⁵⁰⁴ According to Turkey’s Ministry of Economy, this training “would contribute to the development of investment climate in the 19 countries.”⁵⁰⁵

On 4 February 2013, Turkey’s Prime Minister Recep Tayyip Erdogan spoke of the possibility of cancelation of the country’s second largest privatisation for a series of roads and bridges over the Bosphorus, citing dissatisfaction with the size of the winning bid.⁵⁰⁶ Earlier in the year, on 12 January 2013, Prime Minister Erdogan also confirmed Turkey’s intent to proceed with the previously formulated plan of a canal around the city of Ankara.⁵⁰⁷

In March 2013, Turkey signed twenty-five cooperation deals with Greece to boost trade and investment.⁵⁰⁸ On 5 March 2013, in regards to improving the investment climate, Deputy Prime Minister Ali Babacan emphasized the need for more reforms in the judicial system in order to foster conducive investment climate. Mr. Ali Babacan said: “We [Turkey] are not at an ideal point regarding fundamental rights and freedoms. We need more judicial reforms [...] without political reforms, economic success cannot be maintained.”⁵⁰⁹

On 2-3 May 2013, the Investment Support and Promotion Agency of Turkey (ISPAT), in cooperation with the World Bank Group’s Investment Climate Department, hosted a forum on investment facilitation and promotion.⁵¹⁰

⁵⁰³ Development and opportunities in the Turkish market, Lexology (London) 7 December 2012. Date of Access: 5 January 2012.

<http://www.lexology.com/library/detail.aspx?g=15e7ccb0-e2bf-404d-90e2-9349aa24a43f>.

⁵⁰⁴ Islamic Countries Follow Turkey for Investments, The Journal of Turkish Weekly (Ankara) 25 December 2012. Date of Access: 30 January 2013.

<http://www.turkishweekly.net/news/146008/islamic-countries-follow-turkey-for-investments.html>.

⁵⁰⁵ Islamic Countries Follow Turkey for Investments, The Journal of Turkish Weekly (Ankara) 25 December 2012. Date of Access: 30 January 2013.

<http://www.turkishweekly.net/news/146008/islamic-countries-follow-turkey-for-investments.html>.

⁵⁰⁶ Turkish PM casts doubt on roads deal, Financial Times (Istanbul) 4 February 2013. Date of Access: 14 February 2013.

<http://www.ft.com/cms/s/0/3295c34e-6ee2-11e2-8189-00144feab49a.html#axzz2Kshh2ckM>.

⁵⁰⁷ Government Clears Deck for ‘Crazy’ Road Project, Hurriyet Daily News (Istanbul) 14 January 2013. Date of Access: 12 February 2013.

<http://www.reuters.com/article/2013/02/22/turkey-healthcare-idUSL6N0BM1WR20130222>.

⁵⁰⁸ Turkey and Greece set to boost trade, investments, The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Ankara) 5 March 2013. Date of Access: 9 June 2013.

<http://www.invest.gov.tr/en-US/infocenter/news/Pages/050313-turkey-greece-boosting-trade-investments.aspx>.

⁵⁰⁹ Judicial reform vital for economic success: Turkish Government, Hurriyet Daily News (Istanbul) 5 March 2013. Date of Access: 29 June 2013.

<http://www.hurriyetdailynews.com/judicial-reform-vital-for-economic-success-turkish-government.aspx?pageID=238&nid=42339>.

⁵¹⁰ ISPAT holds investment conference in cooperation with World Bank, The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Ankara) 3 May 2013. Date of Access: 9 June 2013. <http://www.invest.gov.tr/en-US/infocenter/news/Pages/030513-ispat-world-bank-group-conference.aspx>.

In June 2013, ISPAT signed two Memorandums of Understanding (MOU); one with the South Korean Ministry of Trade, and one with the Korean Construction Equipment Manufacturers Association (KOCEMA). The MOUs are meant to enhance trade, build strong business relations, and tighten investment cooperation between the signing countries.⁵¹¹

Turkey has taken steps to encourage development through cultivating a more conducive climate for international investment. Hence, Turkey is awarded a score of 0.

Analyst: Jennifer Prenger

⁵¹¹ ISPAT signs memorandums with South Korean trade ministry, business association, The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (Ankara) 7 June 2013. Date of Access: 9 June 2013. <http://www.invest.gov.tr/en-US/infocenter/news/Pages/070613-ispat-motie-kocema-mou-signed.aspx>.

4. Trade

Commitment [#48]

“Following up our commitment made in Cannes, we reaffirm our standstill commitment until the end of 2014 with regard to measures affecting trade and investment, and our pledge to roll back any new protectionist measure that may have arisen, including new export restrictions and WTO inconsistent measures to stimulate exports”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada			+1
China		0	
France			+1
Germany			+1
India	-1		
Indonesia		0	
Italy		0	
Japan		0	
Korea			+1
Mexico			+1
Russia	-1		
Saudi Arabia		0	
South Africa	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.25	

Background

A commitment to refrain from imposing protectionist barriers to trade has been a feature of G20 summit documents since the initial post-crisis summit in Washington. The Washington commitment was extended at the 2009 London Summit until the end of 2010 and renewed at the 2010 Toronto Summit until the end of 2013. The commitment was extended most recently at the Los Cabos Summit until the end of 2014.

States have historically tended to resort to protectionism in times of economic uncertainty. The recent global financial crisis raised concerns that major economic actors would raise barriers to trade and investment, particularly in response to rising unemployment, and that these would act as

“sand in the gears of international trade.”⁵¹² The European sovereign debt crisis has perpetuated concerns that states will resort to protectionist measures and further diminish global economic recovery.

At Washington the G20 members declared “the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty.”⁵¹³ Their success is unclear. According to the WTO, the period from October 2010 to April 2011 saw more trade restrictions introduced than during any period since the beginning of the financial crisis.⁵¹⁴ Compliance of G20 members with their commitment against protectionism, as measured by past G20 Research Group reports, is extremely low.

In response to the introduction of protectionist measures in contravention of the standstill commitment, the Cannes Declaration introduced a requirement that that G20 members “roll back any new protectionist measures that may have arisen.”⁵¹⁵ The Cannes Compliance report shows a notable improvement in average compliance with the trade commitment. These improved results reflect the fact that even though members may have introduced protectionist measures, they often took action to reverse these policies later. The roll back provision is also included in the Los Cabos trade commitment.

At the Toronto Summit, G20 leaders requested that the WTO, OECD and UNCTAD “continue to monitor the situation within their respective mandates, reporting publicly on these commitments on a quarterly basis.” The WTO has accordingly assessed G20 members’ trade and trade-related activities in quarterly reports, with the most recent report, covering October 2010 to April 2011, released in May 2011.⁵¹⁶ The OECD and UNCTAD have also been active in tracking protectionism among G20 members and released their most recent report on G20 investment measures, covering April to October 2011, in October 2011.⁵¹⁷

Commitment features

There are two parts to this commitment that will together determine compliance. The first is to “reaffirm our standstill commitment until the end of 2014.” The second is to “roll back any new protectionist measure that may have risen.” The methodology for this commitment is therefore twofold, with a compliance score for both the standstill and roll back provisions of this commitment that together determine a final score.

⁵¹² G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 4 December 2012. www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm.

⁵¹³ Declaration of the Summit on Financial Markets and the World Economy, G20 Summit (Washington), 15 November 2008. Date of Access: 4 December 2012.

⁵¹⁴ Protectionist pressures on the rise, latest G20 monitoring report says, World Trade Organization (Geneva) 24 May 2011. Date of Access: 4 December 2012.

http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm

⁵¹⁵ The G20 Cannes Summit Declaration, G20 Cannes Summit (Cannes) 4 November 2011. Date of Access: 4 December 2012. <http://www.g20.utoronto.ca/summits/2011cannes.html>

⁵¹⁶ Protectionist pressures on the rise, latest G20 monitoring report says, World Trade Organization (Geneva) 24 May 2011. Date of Access: 4 December 2012.

http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm

⁵¹⁷ Sixth Report on G20 Investment Measures, OECD and UNCTAD (Geneva) 25 October 2011. Date of Access: 4 December 2012. http://www.unctad.org/en/docs/unctad_oecd2011d6_en.pdf.

For a determination of full compliance, or +1, a country must either comply with both provisions (+1,+1); or comply fully with one provision while only partially complying with the other (+1,0). For partial compliance, or 0, a country must either comply fully with one provision while not complying with the other (+1,-1); or partly comply with both provisions (0,0). For noncompliance, or -1, a country must fail to comply with both provisions (-1,-1); or not comply with one provision while partly complying with the other (0,-1). See Table 4-1 for this determination.

Table 4-1: Dual Scoring Methodology

Final Score		Second sub-commitment scores		
		-1	0	+1
First sub-commitment scores	-1	-1	-1	0
	0	-1	0	+1
	+1	0	+1	+1

The first part of the commitment, to “reaffirm our standstill commitments until the end of 2014,” is called sub-commitment one. The second, to “roll back any new protectionist measure that may have risen,” is called sub-commitment two. The scoring of each part will be determined by a separate methodology.

Sub-commitment one

This commitment refers to protectionist policies enacted after the Los Cabos Summit in three distinct forms of protectionism.

First, G20 members have committed to refrain from imposing new barriers to investment or trade in goods and services. The WTO defines “Tariffs, non-tariff measures, subsidies and burdensome administrative procedures regarding imports” as barriers that limit global flows of goods and services.⁵¹⁸

Second, G20 members have committed to refrain from imposing new export restrictions. Export restrictions are voluntary or imposed restrictions on a country’s exports, which are often intended to prevent goods being exported in the face of a domestic shortage or in order to manipulate current-account balances.⁵¹⁹

Third, G20 members have committed to refrain from implementing WTO-inconsistent measures to stimulate exports. The WTO Agreement on Subsidies and Countervailing Measures outlines five broad measures that unfairly stimulate exports: (1) Domestic subsidies that require recipients to meet certain export targets; (2) Subsidies that require recipients to use domestic goods instead of imported goods; (3) Domestic subsidies that hurt an industry in an importing country; (4) Domestic subsidies in one country that hurt exporters trying to compete in the subsidizing country’s domestic market; (5) Domestic subsidies that hurt rival exporters from another country when the two compete in third markets.⁵²⁰

⁵¹⁸ G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 4 December 2012. www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm.

⁵¹⁹ Report on G20 Trade Measures (Mid-October 2010 to April 2011), World Trade Organization (Geneva) 11 May 2011. Date of Access: 4 December 2012. http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm.

⁵²⁰ Understanding the WTO - Anti-dumping, subsidies, safeguards: contingencies, etc (Geneva) 1 January 2005. Date of Access: 4 December 2012. www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm#subsidies.

This report considers all tariffs, export restrictions, investment restrictions and WTO-inconsistent subsidies as instances of protectionism, consistent with the methodology employed by the WTO.

To achieve full compliance with sub-commitment one, a G20 member is required to refrain from imposing any new measures that fall under any of these categories. Partial compliance will be distinguished from noncompliance by calculating the median number of new protectionist measures imposed by G20 members as recorded by analysts. A G20 member will achieve partial compliance with a score of 0 if the country implements new measures, but the number of measures is less than or equal to the median. A G20 member country will score -1 for non-compliance if it introduces more protectionist measures than the median.

The methodology⁵²¹ determines compliance based on policy actions rather than the outcomes of those actions. Consequently, compliance with this commitment is determined by the number of protectionist policies imposed by an individual G20 member relative to the median number of protectionist measures imposed by all G20 members. The measure is internally valid and can be used to determine relative compliance across G20 summits. The measure also allows for a clear distinction between partial compliance and non-compliance that is not based on crossing an arbitrary threshold, but instead based on exceeding the median levels of protectionism among G20 members. At the same time analysts are aware that this compliance measure strongly depends on the data completeness and non-inclusion of facts in the report can change the member scores.

This methodology is distinct from that employed by the WTO, OECD and UNCTAD. The WTO assesses changing levels of aggregate protectionism among G20 members by calculating G20 import restrictions as a share of total G20 imports. It creates an internally valid statistic that can be measured over time in order to determine broad trends, but it implicitly measures the outcome of G20 members' protectionist policies rather than the policies themselves. The OECD/UNCTAD report does not directly measure aggregate investment measures across the G20. Instead, it reports on changes in flows of foreign direct investment (FDI) to G20 members as one indicator of global investment activity, which is influenced in part by the extent of barriers to investment among G20 members. Reports by the WTO, OECD, and UNCTAD list the number and nature of new trade and investment measures in their respective annexes, which this report considers in its assessment of the number of protectionist policies imposed by G20 members.

Scoring Guidelines for sub-commitment one

-1	G20 member imposes new protectionist measures AND the number of instances exceeds the median number of protectionist measures imposed by G20 members.
0	G20 member imposes new protectionist measures BUT the number of instances does not exceed the median number of protectionist measures imposed by G20 members.
+1	G20 member does not impose any new protectionist measures.

Sub-commitment two

This sub-commitment refers to the “rolling back” of protectionist measures introduced since the Cannes Summit. Measures that have been rolled back during this compliance period were introduced between Cannes and Los Cabos. If a country did not introduce a protectionist measure during this period, this sub-commitment is not applicable (see Table 1).

⁵²¹ This methodology was developed in the 2010 Seoul G20 Summit Final Compliance Report.

The scope of protectionist measures will be the same as those outlined above in sub-commitment one: (1) barriers to investment or trade in goods and services; (2) export restrictions; or (3) World Trade Organization (WTO)-inconsistent measures to stimulate exports. The term “roll back” is interpreted to mean a complete repeal or an amendment that significantly alters the original intent of the policy.

Scoring Guidelines for sub-commitment two

-1	G20 member does not repeal protectionist measures OR makes a non-significant amendment.
0	G20 member amends protectionist measures but not significantly OR this sub-commitment is not applicable to the G20 member.
+1	G20 member repeals OR significantly amends protectionist measures OR this sub-commitment is not applicable to the G20 member.

*Lead Analyst: Elizabeth Stratton
Co-director of Compliance: Krystel Montpetit*

Argentina: -1

Argentina received a cumulative score of -1 for failing to comply with its standstill commitment to refrain from imposing new protectionist measures and its rollback commitment.

(1) Argentina did not comply with its commitment to refrain from imposing any new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

Since the Los Cabos Summit, Argentina adopted reference prices on twelve types of imports. These measures require importers to guarantee the difference between the reference price of the imported good and the value of the import declared at customs.

On 28 May 2013, Argentina adopted reference prices on imports of clothing for men and boys from China, Vietnam, Thailand, and other Asian countries. These reference prices entered force on 30 May 2013.⁵²²

On 20 May 2013, the Government of Argentina adopted reference prices on four types of imports: certain woven synthetic fabrics from China, South Korea, Taiwan and other Asian countries⁵²³; lemons and limes from Canada, China, United Kingdom, and other countries⁵²⁴; synthetic or artificial fabric wadding and woven warp knitted cotton from China, South Korea, Taiwan and other Asian countries⁵²⁵; and, rubber balloons from China, Malasia, Thailand, and other Asian countries. These reference prices entered force on 22 May 2013.⁵²⁶ On 17 May 2013, Argentina adopted reference prices on imports of certain woven artificial fabrics from China,

⁵²² Resolución General 3503, Federal Administration of Public Revenue (Buenos Aires) 28 May 2013. Date of Access: 28 June 2013. http://www.iqom.com.mx/documents/1305/28_ValoresCriterio_Arg.pdf.

⁵²³ Resolución General 3494, Federal Administration of Public Revenue (Buenos Aires) 20 May 2013. Date of Access: 28 June 2013. http://www.iqom.com.mx/documents/1305/20_guataaTejidos_arg.pdf.

⁵²⁴ Resolución General 3443, Federal Administration of Public Revenue (Buenos Aires) 20 May 2013. Date of Access: 28 June 2013. http://www.iqom.com.mx/documents/1305/20_guataaTejidos_arg.pdf.

⁵²⁵ Resolución General 3496, Federal Administration of Public Revenue (Buenos Aires) 20 May 2013. Date of Access: 28 June 2013. http://www.iqom.com.mx/documents/1305/20_guataaTejidos_arg.pdf.

⁵²⁶ Resolución General 3499, Federal Administration of Public Revenue (Buenos Aires) 20 May 2013. Date of Access: 28 June 2013. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-rubber-balloons-certain-asian-countries>

India, South Korea, Singapore, and other Asian countries, which entered into force on 21 May 2013.⁵²⁷

On 9 April 2013, Argentina adopted reference prices on imports of knitted cotton and polyester fibers from China, India and other Asian countries effective on 11 April 2013.⁵²⁸ On 8 April 2013, Argentina adopted reference prices on imports of travel sets for personal hygiene, cleaning shoes or clothing China, India and other Asian countries effective on 10 April 2013.⁵²⁹

On 31 December 2012, Argentina adopted reference prices on imports of a certain type of plywood from Brazil, Chile, China, Paraguay, Uruguay and other Asian and Latin-American countries.⁵³⁰ On 12 October 2012, Argentina adopted reference prices on imports of a certain type of woven cotton fabrics from China, Brazil and other countries.⁵³¹ Reference prices were adopted for imports of certain toilet and kitchen linen from Brazil, China, Uruguay, and other Asian and Latin-American countries effective 13 September 2012.⁵³² The Government of Argentina also adopted reference prices on imports of a certain type of plastic builder's ware for bathrooms and kitchens originating from several Asian and Latin-American countries on 25 June 2012.⁵³³

On 31 August 2012, the Federal Administration of Public Investments of Argentina introduced a 15 per cent tax on purchases made abroad with Argentinian credit-cards. The scope of this tax was extended to include debit-cards and international internet purchases made with credit cards. On 18 March 2013, the tax was increased to 20 per cent and the scope was further extended to purchases of international travel tickets and package tours, payments of foreign services such as hotel accommodation, restaurant dining and car rentals. The purpose of this measure is in accordance with other restrictions implemented by the Government of Argentina to restrict capital outflow.⁵³⁴

On 24 August 2012, Argentina increased taxes relating to imports in Resolución General 3373/2012 from 3 to 6 per cent and the rate for the final imports for goods (i.e., destined for the

⁵²⁷ Resolución General 3498, Federal Administration of Public Revenue (Buenos Aires) 17 May 2013. Date of Access: 28 June 2013. http://www.iqom.com.mx/documents/1305/17_artificiales_Arg.pdf.

⁵²⁸ Resolución No. 3458, Federal Administration of Public Revenue (Buenos Aires) 9 April 2013. Date of Access: 28 June 2013.

<http://www.iqom.com.mx/documents/1304/Valores%20Criterio%20Argentina%209%20de%20abril.pdf>

⁵²⁹ Resolución No. 3457, Federal Administration of Public Revenue (Buenos Aires) 8 April 2013. Date of Access: 28 June 2013.

<http://www.iqom.com.mx/documents/1304/Valores%20Criterio%20Argentina%209%20de%20abril.pdf>

⁵³⁰ Official Bulletin 32.553, Secretary of External Trade (Buenos Aires) 2 January 2013. Date of Access: 25 January 2013. http://www.iqom.com.mx/documents/1212/BO_per cent202_per cent20ene per cent203.pdf.

⁵³¹ Facturación y Registración Resolución General 3197, Administración Federal de Ingresos Públicos (Buenos Aires) 12 October 2012. Date of Access: 14 January 2013.

http://www.iqom.com.mx/documents/1011/DOF_per cent2012_per cent20oct- per cent20tejidos.pdf.

⁵³² Resolución General 3383, Administración Federal de Ingresos Públicos (Buenos Aires) 13 September 2012. Date of Access: 14 January 2013. http://www.iqom.com.mx/documents/0912/BO_per cent2013_per cent20sep per cent201.pdf.

⁵³³ Argentina: Reference prices on imports of certain type of plastic builder's ware for bathrooms and kitchens from several Asian and Latin-American countries, Global Trade Alert (London) 27 June 2012. Date of Access: 5 January 2013. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-certain-type-plastic-builder-per centC2 per centB4s-ware-bathrooms-and-kitchen>.

⁵³⁴ Resolución 2/2012, Boletín Oficial de la República Argentina (Buenos Aires) 18 March 2013. Date of Access: 28 June 2013. <http://www.boletinoficial.gov.ar/Inicio/index.castle?s=1&fea=18/03/2013>

use or consumption by the importer) is now up to 11 per cent.⁵³⁵ Certain imports are subject to a VAT rate of 20 or 10 per cent (on products normally classified in the high, respectively the low VAT category) that constitutes a doubling with respect to the previous rates of 10 percent and 5 per cent, respectively.

On 26 June 2012, Argentina announced that it was suspending the application of provisions of the Economic Complementation Agreement No. 55 for three years.⁵³⁶ The Agreement came into force on 27 September 2002. Under the Agreement, Argentina and Mexico negotiate annual bilateral import quotas for the tariff-free entry of automobiles. The unilateral suspension of the Agreement by Argentina will effectively invalidate the preferential tariffs agreed with Mexico and thus raise or impose new tariffs on automobile imports.

Argentina imposed anti-dumping duties in nine instances since the Los Cabos Summit. On 14 December 2012, the Argentinian Ministry extended the imposition of the antidumping duties on certain pesticides imported from China, imposed on 15 June 2006, for a period of three years.⁵³⁷

On 30 November 2012, Argentina decided to extend the antidumping duties on imports of radial ball bearings with a diameter between 30mm and 120mm (excluding the RST type) originating from China. The original measure came into force on 30 May 2006 and is extended for another 5 years.⁵³⁸

On 19 October 2012, Argentina extended antidumping duties on electrical connection terminals imported from Germany for an additional period of five years, implemented on 1 October 2012 after it initiated an expiry review investigation on the subject product on 31 March 2011.⁵³⁹

On 15 October 2012, Argentina adopted antidumping duties against imports of certain types of sawblades after it launched an investigation on 7 April 2011 at the request of Argentinian enterprise Sin Par S.A. The quota for the measure is 0.33 dollars per unit on products that are classified under MERCOSUR Harmonized System: 8202.91.00 and 8202.99.90.⁵⁴⁰

On 5 October 2012, Argentina adopted antidumping duties against imports of certain types of sunglasses, mountings, and corrective spectacles from China. The investigation was initiated by

⁵³⁵ Argentina - Income tax, VAT rate increases for imports, KPMG (Washington, DC) 4 September 2012. Date of Access: 28 June 2013.

<http://www.kpmg.com/global/en/issuesandinsights/articlespublications/taxnewsflash/pages/argentina-income-tax-vat-rate-increase-imports.aspx>.

⁵³⁶ Argentina: Temporary suspension of application of the Economic Complementation Agreement No. 55 on vehicles, Global Trade Alert (London) 28 August 2012. Date of Access: 5 January 2013.

<http://www.globaltradealert.org/measure/argentina-temporary-suspension-application-economic-complementation-agreement-no-55-vehicles>.

⁵³⁷ Resolución 833/2012, Ministry of Economy and Public Finance 14 December 2012. Date of Access: 28 June 2013. <http://www.infoleg.gov.ar/infolegInternet/anexos/205000-209999/206167/norma.htm>.

⁵³⁸ Resolución 754/2012, Ministry of Economy and Public Finance November 30 2012. Date of Access: 28 June 2013. <http://www.infoleg.gov.ar/infolegInternet/anexos/205000-209999/205673/norma.htm>.

⁵³⁹ World Trade Organization. Dispute Settlement Body. Semi-annual report under article 16.4 of the agreement - Argentina 4 October 2012. Date of Access: 28 June 2013.

https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-1.aspx?language=E&CatalogueIdList=113986,96572,85649,85648,23551,32433,45296,68308,40946,85628&CurrentCatalogueIdIndex=5&FullTextSearch=.

⁵⁴⁰ Resolución 74/2011, Secretary of Industry and Commerce (Buenos Aires) 7 April 2011. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/0411/DOF%207%20abr.pdf>.

the Argentinian government on 7 April 2011 and led to a measure consisting on antidumping duties of between 13.09 and 16.88 dollars per unit on products classified under MERCOSUR Harmonized System: 9003.11.00, 9003.19.10, 9003.19.90, 9004.90.10 and 9004.10.00.⁵⁴¹

Argentina imposed antidumping duties on certain types of electric motors from China on 6 September 2012. The antidumping duties range from USD40.42 to USD167.09 per unit. The anti-dumping investigation began on 4 March 2011 at the request of Motores Czerweny S.A.⁵⁴²

On 27 August 2012, Argentina imposed anti-dumping duties on unglazed ceramic flags and paving, and unglazed ceramic mosaic cubes from China. This investigation was launched at the request of Argentinian enterprises: ILVA S.A., Industrias Cerámicas Lourdes S.A. and Canteras Cerro Negro S.A. on 28 July 2011.⁵⁴³

Argentina imposed anti-dumping duties against certain types of paper and paperboard coated on one or both sides with kaolin from Austria, China, Finland and the United States on 21 June 2012. The anti-dumping margin was 98 per cent for Austria, 39.5 per cent for China, 91 per cent for Finland and 63.51 per cent for the United States. The anti-dumping investigation was initiated on 15 December 2010 at the request of Ledesma S.A.A.I.⁵⁴⁴

On 21 June 2012, Argentina levied antidumping duties on certain glass wool products from Mexico after an anti-dumping investigation initiated at the request of Saint Gobain Isover Argentina S.A. on 16 December 2010.⁵⁴⁵ The antidumping margin is 112.57 per cent for all exporters.

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁵⁴⁶ Therefore these measures will not be counted as new protectionist measures under sub-commitment one.

Argentina received a score of -1 for failure to comply with its standstill commitment. Argentina imposed five protectionist measures during the compliance cycle, exceeding the median number of protectionist policies imposed by G20 members.

⁵⁴¹ Resolución 70/2011, Secretary of Industry and Commerce (Buenos Aires) 4 April 2011. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/0411/DOF%207%20abr-%20anteojos%20de%20sol.pdf>.

⁵⁴² Resolución 506/2012, Ministerio de Economía y Finanzas Públicas (Buenos Aires) 6 September 2012. Date of Access: 15 January 2013. [http://www.iqom.com.mx/documents/0912/BO per cent206 per cent20sep.pdf](http://www.iqom.com.mx/documents/0912/BO%20per%20cent%206%20per%20cent%20sep.pdf).

⁵⁴³ Resolución 470/2011, Secretary of Industry and Commerce (Buenos Aires) 26 July 2011. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/0711/DOF%2027%20julio.pdf>.

⁵⁴⁴ Argentina: Adoption of antidumping duties against certain types of paper and paperboard from Austria, China, Finland, and the US, Global Trade Alert (London) 22 June 2012. Date of Access: 5 January 2013. <http://www.globaltradealert.org/measure/argentina-adoption-antidumping-duties-against-certain-types-paper-and-paperboard-austria-chi>.

⁵⁴⁵ Argentina: Adoption of antidumping duties against glass wool products from Mexico, Global Trade Alert (London) 22 June 2012. Date of Access: 5 January 2013. <http://www.globaltradealert.org/measure/argentina-adoption-antidumping-duties-against-glass-wool-products-mexico>.

⁵⁴⁶ Disputes by Country/Territory, World Trade Organization (Geneva) 2012. Date of Access: 14 January 2013. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

(2) Argentina failed to comply with sub-commitment two to roll back existing protectionist measures that arose since the Cannes Summit.

No evidence was found to indicate that Argentina rolled back any protectionist policies implemented between the Cannes and Los Cabos Summits. Argentina received a score of -1 for noncompliance with sub-commitment two. Thus Argentina is awarded a cumulative score of -1 for noncompliance with both sub-commitments.

Sub-commitment one: Argentina total = 15

Date imposed	Measures implemented
30 May 2013	Reference prices on clothing for men and boys from China, Vietnam, Thailand, and other Asian countries
22 May 2013	Reference prices on four types of imports: certain woven synthetic fabrics from China, South Korea, Taiwan and other Asian countries
22 May 2013	Reference prices on lemons and limes from Canada, China, United Kingdom, and other countries
22 May 2013	Reference prices on synthetic or artificial fabric wadding and woven warp knitted cotton from China, South Korea, Taiwan and other Asian countries
22 May 2013	Reference prices on rubber balloons from China, Malasia, Thailand, and other Asian countries
21 May 2013	Reference prices on certain woven artificial fabrics from China, India, South Korea, Singapore, and other Asian countries
11 April 2013	Reference prices on knitted cotton and polyster fibers from China, India and other Asian countries
10 April 2013	Reference prices on imports of travel sets for personal hygiene, cleaning shoes or clothing China, India and other Asian countries
31 Dec. 2012	Reference prices on certain plywood from Brazil, Chile, China, Paraguay, Uruguay and other Asian and Latin American countries
12 Oct. 2012	Reference prices on certain woven cotton fabrics from China, Brazil and other countries
13 Sept. 2012	Reference prices on certain toilet and kitchen linen from Brazil, China, Uruguay, other Asian and Latin American countries
31 Aug. 2012	Higher tax on foreign purchases
24 Aug. 2012	Increased import tax and VAT rate for imports in Resolución General 3373/2012
26 June 2012	Suspension of Economic Complementation Agreement No. 55, affecting automobile imports from Mexico
25 June 2012	Reference prices on certain plastic builder's ware for bathrooms and kitchens from some Asian and Latin American countries

Sub-commitment two: Argentina total = 18

Date imposed	Measures implemented	Rolled back or amended since Los Cabos?	Date of roll back or amendment
5 June 2012	Reference prices on imports imports of woven fabrics of synthetic staple fibers from certain Asian countries	No	
28 May 2012	Local content regulations for mining companies	No	
28 May 2012	Shipping restrictions for mining companies	No	
15 May 2012	Reference prices on imports certain type of flat-rolled products of stainless steel from diverse Asian countries	No	
15 May 2012	Reference prices on imports of certain type of embroidery in the piece, in strips or in motifs from China and other countries	No	
26 April 2012	Reference prices on imports of certain type of articles of cermets from diverse countries	No	
11 April 2012	Reference prices on imports of certain type of articles of plastics, from China and other Asian countries	No	
11 April 2012	Reference prices on imports of certain type of tableware kitchenware, house hold articles, and hygienic or toilet articles, of plastics from diverse countries	No	
10 April 2012	Reference prices on imports of certain type of yarn of artificial staple fibers from diverse countries	No	
9 April 2012	Reference prices on imports of certain type of ceramic and tableware articles from diverse countries	No	
9 April 2012	Reference prices on imports of certain type of woven fabrics of synthetic staple fibers from certain Asian countries	No	
9 April 2012	Reference prices on imports of certain type of woven fabrics of cotton from diverse countries	No	
9 Feb. 2012	Reference prices on imports of rubber balloons from Brazil, China, and other countries	No	
9 Feb. 2012	Reference prices on imports of certain filament yarn of polypropylene from China, the U.S., and other countries	No	
22 Jan. 2012	Increased import tariff rates on 100 products	No	
7 Dec. 2011	Reference prices on imports of terry toweling and similar woven terry fabrics from certain Asian countries	No	
7 Dec. 2011	Reference prices on imports of baby carriages from certain Latin-American countries	No	
5 Dec. 2011	Reference prices on imports of ceramic tableware and kitchenware from certain Asian, European and Latin-American countries	No	

Analysts: Buse Kayar and Elizabeth Stratton

Australia: +1

Australia received a cumulative compliance score of +1. Australia partially complied with sub-commitment one and achieved full compliance with the second subcommitment.

(1) Australia partially complied with its commitment to refrain from imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

On 1 December 2011, Australia introduced the Tobacco Plain Packaging Act 2011, which attempts to discourage the use and appeal of tobacco products and require them to be sold in plain green packages.⁵⁴⁷ The Dominican Republic and Cuba, respectively on 18 July 2012⁵⁴⁸ and 3 May 2013⁵⁴⁹, joined two other WTO members, Ukraine and Honduras, in filing a dispute settlement case against Australia. They claim that the Tobacco Plain Packaging Act 2011 introduced barriers to trade. Until a decision has been made by the WTO, the Tobacco Plain Packaging Act 2011 cannot be labelled as a WTO-inconsistent measure.

On 30 November 2012, Australian Minister for Broadband Stephen Conroy introduced a new requirement for free-to-view television broadcasting channels to air a minimum number of hours of local content per year. The requirement outlines that commercial broadcasters must air at least 730 hours of Australian content in 2013, 1095 hours in 2014 and 1460 hours in 2015. The measure also unfairly supports domestic production of television content by counting one hour of “first-release drama” of local content as two hours towards the broadcasters’ yearly requirement.⁵⁵⁰

Since the Los Cabos Summit, Australia imposed antidumping duties in five instances and extended them in two other instances

On 6 February 2013, Australia levied interim anti-dumping on zinc coated steel and aluminium zinc coated steel imported from China, Korea and Taiwan. The duties were imposed after an investigation by the Australian Customs and Border protection. The interim duties range from 4,6 to 55,3 per cent for China, from less than 5,8 to 20,1 per cent for Korea, and 2,1% to 11.8 % for Taiwan.⁵⁵¹

⁵⁴⁷ Tobacco Plain Packaging Act 2011, Australian Government, 1 December 2011.

Date of Access: 29 June 2013. <http://www.comlaw.gov.au/Details/C2011A00148>

⁵⁴⁸ Dispute Settlement: Dispute DS 441, World Trade Organisation (Geneva), 18 July 2012.

Date of Access: 29 June 2013 http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds458_e.htm

⁵⁴⁹ Dispute Settlement: Dispute DS 458, World Trade Organisation, 3 May 2013.

Date of Access: 29 June 2013 http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds458_e.htm

⁵⁵⁰ Government moves to ensure quality Australian content stays on Australian television, Minister for Broadband, Communications and the Digital Economy (Canberra) 30 November 2012. Date of Access: 15 January 2013. http://www.minister.dbcde.gov.au/media/media_releases/2012/193.

⁵⁵¹ Zinc Coated Steel and Aluminum Zinc Coated Exported From the People’s Republic of China, the Republic of Korea and Taiwan. Australian Customs and Border Protection Service (Canberra), 6 February 2013. Date of Access: 29 June 2013. <http://www.customs.gov.au/webdata/resources/files/069-ACDN201311-PreliminaryAffirmativeDeterminationsandImpositionof.pdf>

On 31 January 2013, Australia announced the extension of antidumping duties on dichlorophenoxyacetic acid imported from China for further five years.⁵⁵² The measure was originally imposed in 2003.

On 20 December 2012, Australia levied interim anti-dumping duties on hot rolled coiled steel imported from Japan, Korea, Malaysia and Taiwan. The duties were imposed after an investigation by the Australian Customs and Border Protection Service. The interim duties range from 7.5 per cent for Japan, 2.6 to 11.8 per cent for Korea, 15.4 per cent for Malaysia and 2.6 to 8.2 per cent for Taiwan.⁵⁵³

Australia imposed definitive anti-dumping duties of 3.26 per cent on polyvinyl chloride homopolymer (PVC) resin imported from Korea on 19 October 2012, following an investigation by the Australian Customs and Border Protection Service.⁵⁵⁴

On 5 July 2012, Australia imposed anti-dumping and countervailing duties on certain aluminum road wheels imported from China. The effective rate of duty ranges from 6.3 to 84.3 per cent.⁵⁵⁵

On 3 July 2012, Australia levied interim anti-dumping and countervailing duties on hollow structural sections originating in China, Korea, Malaysia and Taiwan. The effective rate of anti-dumping and countervailing duties range from 10.1 to 100.8 per cent for China. The anti-dumping duties range from 3.2 to 8.9 per cent for Korea, 3 to 20 per cent for Malaysia and 2.4 to 5.3 per cent for Taiwan.⁵⁵⁶

On 19 October 2012, Australia announced the extension of antidumping duties on imports of polyvinyl chloride resin (PVC) imported from Japan and the cancellation of duties on imports of the same product from the United States. The measure was originally imposed on both countries in 1992 and subsequently extended upon expiration every five years.⁵⁵⁷

⁵⁵² Dichlorophenoxyacetic acid Exported from the People's Republic of China Japan Continuation of anti-dumping measures, Australian Customs and Border Protection (Canberra), 31 January 2013. Date of access: 29 June 2013.

<http://www.customs.gov.au/webdata/resources/files/033-ACDN2013-13-Other-Findinginrelationtoacontinuationinquiry.pdf>

⁵⁵³ Hot Rolled Coil Steel Exported from Japan, the Republic of Korea, Malaysia and Taiwan, Australian Customs and Border Protection Service (Canberra) 20 December 2012. Date of Access: 2 January 2012. <http://www.customs.gov.au/webdata/resources/files/103-ACDN2012-66-Findinginrelationtoaninvestigationintodumping.pdf>.

⁵⁵⁴ Polyvinyl Chloride Homopolymer Resin (PVC) Exported from the Republic of Korea Finding in relation to an investigation into dumping, Australian Customs and Border Protection Service (Canberra) 19 October 2012. Date of Access: 2 January 2012. <http://www.customs.gov.au/webdata/resources/files/035-ACDN201250-FinalReport.pdf>.

⁵⁵⁵ Certain Aluminium Road Wheels Exported from the People's Republic of China, Australian Customs and Border Protection Service (Canberra) 5 July 2012. Date of Access: 2 January 2012. <http://www.customs.gov.au/webdata/resources/files/ACDN-ARWs-FinalMeasures2012-33.pdf>.

⁵⁵⁶ Hollow Structural Sections Exported from the People's Republic of China, the Republic of Korea, Malaysia and Taiwan, Australian Customs and Border Protection Service (Canberra) 3 July 2012. Date of Access: 2 January 2012. <http://www.customs.gov.au/webdata/resources/files/120607ACDN-HSS-FinalMeasures.pdf>.

⁵⁵⁷ Polyvinyl Chloride Homopolymer Resin Exported from Japan Continuation of anti-dumping measures, Australian Customs and Border Protection (Canberra), 19 October 2012. Date of access: 29 June 2013. <http://www.customs.gov.au/webdata/resources/files/013-ACDN201252-FinalReport.pdf>

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁵⁵⁸ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

Australia is awarded a score of 0 for partial compliance. Australia imposed one new protectionist measure during the compliance cycle but did not exceed the median number of protectionist policies imposed by G20 members.

(2) Australia did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore the second subcommitment is not applicable to Australia.

Thus Australia received a score of +1 for the second sub-commitment.

Australia is awarded a cumulative score of +1 for compliance with the trade commitment.

Analyst: Mickael Deprez

Brazil: -1

Brazil earned a score of -1 for noncompliance with the trade commitment. Brazil failed to comply with its standstill commitment to refrain from imposing new protectionist measures and its commitment to roll back existing measures.

(1) Brazil did not comply with its commitment to refrain from imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

On 4 June 2013 the Government of Brazil temporarily reduced tariffs on the ad-valorem import duty applicable to certain information technology and telecommunication goods such as: radio frequency transmitters, data communication modules, printed circuit boards, image capture modules and multi-connectors and optical fiber transmitting and receiving equipment. The conditions of the temporary tariff reduction entail that there is no domestic production of these goods and the creation of new tariff positions are allowed by Brazilian authorities in order to implement these reductions. Thus, a 2 per cent ad-valorem import duty will temporarily be applied for goods classified under 6 codes of MERCOSUR's Harmonized Tariff System: 8517.62.72, 8517.70.10, 8517.70.99, 8517.70.99, 8543.70.99 and 9030.40.90.⁵⁵⁹

On 4 June 2013 Brazil again temporarily reduced tariffs on the ad-valorem import duty applicable to certain capital and information technology goods, its parts, pieces and components, in order to encompass more codes of Chapters 82, 84, 85, 86 and 90 of MERCOSUR's Harmonized Tariff System. Thus, a 2 per cent ad-valorem import duty will temporarily be applied by the Brazilian Government for goods classified under 224 codes as opposed to 147 codes.⁵⁶⁰

⁵⁵⁸ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 June 2013. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

⁵⁵⁹ Resolución No. 40 Council of Ministers of External Trade 4 June 2013. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/1306/p12.pdf>

⁵⁶⁰ Resolución No. 39, Chamber of External Commerce 4 June 2013. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/1306/Bienes%20de%20capital.pdf>

On May 14 2013 Brazil temporarily reduced tariffs on the ad-valorem import duty applicable to certain capital and information technology goods, its parts, pieces and components, which may take place whenever it is found that there is no domestic production of these goods. Thus, a 2 per cent ad-valorem import duty will temporarily be applied by the Brazilian Government for goods classified under 147 codes of the Chapters 82, 84, 85, 86 and 90 of MERCOSUR's Harmonized Tariff System.⁵⁶¹

On May 14, 2013 Brazil temporarily reduced tariffs on the ad-valorem import duty applicable to certain information technology and telecommunications goods such as: printers, digital routers, LCD screens, ozone generators for current discharge, structured network testers and capacitor selection machines. Through this resolution, a 2 per cent ad-valorem import duty is temporarily allowed for goods classified under 8 codes of MERCOSUR's Harmonized Tariff System: 8443.32.29, 8471.60.90, 8517.62.49, 8517.62.61, 8529.90.20, 8543.70.99, 9030.40.90 and 9030.89.9.⁵⁶²

On 9 April 2013 Brazil doubled its wheat-import quota for purchases outside its regional trade bloc (Mercosur). The foreign trade commission Camex of Brazil increased the wheat quota from 1 million tonnes to 2 million tonnes. The increase remains in force from 1 April to 31 July 2013 and is implemented due to the low harvest in Argentina, which is Brazil's main source of wheat.⁵⁶³ According to Resolution No. 27, The Brazilian Chamber of Commerce (CAMEX) temporarily suspended the import tariff on cotton (HS 5201) until July 31, 2013, effective 1 May 2013. The previous tariff stood at 10 per cent ad valorem.⁵⁶⁴

On 5 April 2013 CAMEX made the following changes on tariffs through Resolution no. 25: lactose powder from 16 per cent to 2 per cent; silicone from 14 per cent to 2 per cent; and, aluminum cans for capacitors from 14 per cent to 2 per cent. The measure is effective on 8 April 2013 for a period of 12 months. CAMEX also temporarily suspended the import tariff on methanol (HS 2905.11.00) for a period of 180 days, effective as of 8 April 2013. The prior tariff stood at 12 per cent ad valorem.⁵⁶⁵

On 4 April 2013 Brazil temporarily tariff reduced the ad-valorem import duty applicable to certain glass fiber parts for water slides to a zero per cent import duty for 7 goods classified in the following item of the MERCOSUR's Harmonized Tariff System as 9508.9090.⁵⁶⁶

⁵⁶¹ Resolución No. 34, Chamber of External Commerce 14 May 2013. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/1305/Reduccion%20bienes%20de%20capital%2014%20de%20mayo.pdf>

⁵⁶² Resolución No. 33, Chamber of External Commerce 14 May 2013. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/1305/Reduccion%20a%20bienes%20de%20informtica%2014%20de%20mayo.pdf>

⁵⁶³ Reuters, CORRECTED-Brazil to double wheat-import quota, cut cotton tariff 10 April 2013. Date of Access: 28 June 2013. <http://www.reuters.com/article/2013/04/10/brazil-wheat-cotton-idUSL2N0CX00Y20130410>.

⁵⁶⁴ ArabBrazilian Chamber of Commerce, Brazil lifts cotton import tax 9 April 2013. Date of Access: 28 June 2013. http://www2.anba.com.br/noticia_opportunidades.kmf?cod=20173964#.UW6ThTdacS-

⁵⁶⁵ ArabBrazilian Chamber of Commerce, Foreign Trade Chamber lowers products' import tariffs 8 April 2013. Date of Access: June 28 2013. http://www2.anba.com.br/noticia_opportunidades.kmf?cod=20163221#.UWVitzdadtK.

⁵⁶⁶ Resolución No. 23 Chamber of External Commerce 3 April 2013. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/1304/ListaExcepcionesAEC.pdf>.

On 1 April 2013 Brazil reduced import tariffs on certain vehicles such as: ambulances, used vehicles, military and agro industrial vehicles and flex fuel vehicles. As of that date, the tariff rate for ambulances, battery cars and cars for funerals will be zero per cent. Tariffs for flex-fuel vehicles will be reduced to 37 per cent and tariffs for certain vehicles of national production for military and agricultural purposes reduced to 39 per cent. The products subject to the tariff reduction are classified under the headings of 8701, 8702, 8703, 8704, 8706 and 8716 of the MERCOSUR Harmonized System.⁵⁶⁷

On 1 April 2013 Brazil reduced tariffs of the ad-valorem import duty that applies to certain capital, information technology and telecommunication goods. The import duty for the goods classified in 212 codes of Chapters 84, 85, 86, 87 and 90 of the MERCOSUR's Harmonized Tariff System is 2 per cent and zero per cent for railway machines classified under code 8602.1000.⁵⁶⁸

On 12 October 2012, Brazil announced that imported foreign goods for use or consumption in the Olympic and Paralympic games of 2016 such as trophies and medals would be exempted from VAT, social contributions (PIS/COFINS), contributions of intervention on economic domain (CIDE) and other fees related to customs clearance through Provisional Measure No. 584.⁵⁶⁹

On 5 October 2012, Resolution no. CAMEX implemented Resolution no. 72/2012, which reduced import tariffs on stretch-thinned polypropylene film previously at 16 per cent and on synchronised cargo lifting modules with a maximum capacity of 100 tonnes, previously at 14 per cent, both to 2 per cent, under respective import quotas of 960 tonnes and 6 units. The new tariff on polypropylene film is applicable for 180 days (2 April 2013). The new tariff on cargo lifting modules is applicable for 60 days (3 December 2012).⁵⁷⁰

The Government of Brazil increased the Common External Tariff (AEC) on 1 October 2012. The AEC is the Most Favoured Nation import tariff established by the members of MERCOSUR which applies to all non-members. The increased tariff will affect approximately 100 goods. The tariffs were increased to between 14 per cent and 25 per cent from the previous rates of 0 per cent to 18 per cent.⁵⁷¹

On 4 September 2012 CAMEX reduced the import tariff on titanium oxides in anatase form from 10 per cent to 2 per cent, effective for 12 months through Resolution no. 63/2012.⁵⁷²

On 21 August 2012, Brazil increased import tariffs for various IT and telecommunication goods in order to stimulate the national capacity to innovate and strengthen its IT sector. The Uninterrupted Power Supply (UPS) or no break (NCM 8504.40.40) increased from 14 per cent to

⁵⁶⁷ Decreto 7.971, Final Provisions 28 March 2013 Date of Access: 28 June 2013.

<http://www.iqom.com.mx/documents/1304/TIPI%201%20de%20abril.pdf>

⁵⁶⁸ Resolución 17 and 19 Ministry of Chamber of External Commerce 28 March 2013. Date of Access: June 28 2013. <http://www.iqom.com.mx/documents/1304/BC11.pdf>.

⁵⁶⁹ Ernst & Yonge, Trade Watch December 2012. Date of Access: 28 June 2013.

[http://www.ey.com/Publication/vwLUAssets/TradeWatch_December_2012/\\$FILE/Trade_Watch.pdf](http://www.ey.com/Publication/vwLUAssets/TradeWatch_December_2012/$FILE/Trade_Watch.pdf).

⁵⁷⁰ World Trade Organization, Reports on G20 Trade and Investment Measures, 31 October 2012. Date of Access: 28 June 2013. <http://www.oecd.org/daf/inv/8thG20report.pdf>

⁵⁷¹ Diário Oficial da União No. 190, Presidência da República (Brasília) 1 October 2012. Date of Access: 15 January 2013. http://www.iqom.com.mx/documents/0912/incr_per_cent20arancelario_per_cent201_per_cent20oct.pdf.

⁵⁷² World Trade Organization, Reports on G20 Trade and Investment Measures, 31 October 2012. Date of Access: 28 June 2013. <http://www.oecd.org/daf/inv/8thG20report.pdf>

20 per cent, memory cards (NM 8523.51.10) increased from 0 per cent to 16 per cent, and printed circuit boards (NCM 8534.00.XX) increased from 10 per cent to 12 per cent. The measure will stay in force until 2015.⁵⁷³

On 25 July 2012, CAMEX temporarily reduced the import tariffs on vegetable fats and oils, and their fractions from 10 per cent to 2 per cent under an import quota of 750 tonnes, effective for 12 months through Resolution no. 51/2012.⁵⁷⁴

On 6 July 2012, Brazil temporarily reduced the tariff of the ad-valorem import duty that applies to certain informatics, telecommunications, and capital goods, determining the temporary application of 2 per cent ad-valorem import duty for certain capital goods.⁵⁷⁵

Brazil adopted antidumping duties in three instances since the Los Cabos Summit. On 6 December 2012, Brazil imposed definitive antidumping duties on cutlery made of stainless steel (of the category superior or luxury) imported from China. The antidumping investigation on the subject product was initiated on 13 June 2011 at the request of Brazilian enterprise Tramontina Farroupilha S/A Indústria Metalúrgica.⁵⁷⁶

On 31 October 2012, Brazil imposed antidumping duties on imports of certain amino-resins from China and the United States. The antidumping investigation began on 8 June 2011 at the request of the Brazilian enterprise Bayer, S.A. The duties range from USD418.73 to USD833.08 per ton for the United States and from USD619.27 to USD1079.68 per ton for China.⁵⁷⁷

Brazil imposed antidumping duties against citric acid and salt and esters from China on 27 July 2012. The antidumping investigation was initiated on 7 April 2011 at the request of the Associação Brasileira dos Produtores de Ácido Cítrico e Derivados. The measure imposes quotas between USD526.81 and USD741.46 per ton and USD272.12 per ton depending on the exporter. Brazil agreed to a price compromise with some firms to allow a maximum of USD1600 per ton.⁵⁷⁸

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-

⁵⁷³ Camex resolution no. 59/12, Council of Ministers of External Trade Chamber 20 August 2012. Date of Access: 28 June 2013.

<http://www.in.gov.br/imprensa/visualiza/index.jsp?jornal=1&pagina=10&data=21/08/2012>.

⁵⁷⁴ World Trade Organization, Reports on G20 Trade and Investment Measures, 31 October 2012. Date of Access: 28 June 2013. <http://www.oecd.org/daf/inv/8thG20report.pdf>

⁵⁷⁵ Resolución 47 and 48, Ministry of Chamber of Commerce 5 July 2012. Date of Access: 28 June 2013. <http://www.iqom.com.mx/documents/0712/Resolucin%20No.%2047.pdf>;

<http://www.iqom.com.mx/documents/0712/Resolucin%20No.%2048.pdf>.

⁵⁷⁶ World Trade Organization Committee on Anti-Dumping Products - Semi-Annual Report Under Article 16.4 of the Agreement – Brazil 16 April 2013. Date of Access: 28 June 2013.

https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-1.aspx?language=E&CatalogueIdList=116159&CurrentCatalogueIdIndex=0&FullTextSearch=.

⁵⁷⁷ Resolução No. 75, o Presidente do Conselho de Ministros da Câmara de Comércio Exterior (Brasília) 31 October 2012. Date of Access: 14 January 2013. <http://www.iqom.com.mx/documents/1112/Resolucion%2075%20complete.pdf>.

⁵⁷⁸ Brazil: Adoption of antidumping duties against citric acid, its salts and esters from China, Global Trade Alert (London) 23 August 2012. Date of Access: 5 January 2013. <http://www.globaltradealert.org/measure/brazil-adoption-antidumping-duties-against-citric-acid-its-salts-and-esters-china>.

dumping and countervailing measures cannot be considered a violation of WTO rules.⁵⁷⁹ Therefore these measures will not be counted as new protectionist measures under sub-commitment one.

Brazil earned a score of -1 for noncompliance with sub-commitment one. Brazil increased the Common External Tariff which will affect 100 tariffs. This exceeds the G20 median number of protectionist measures introduced during the compliance cycle.

(2) Brazil failed to comply with sub-commitment two to roll back existing protectionist measures that arose since the Cannes Summit.

No evidence was found to indicate that Brazil rolled back any protectionist policies that were imposed between the Cannes and Los Cabos Summits.

Brazil received a score of -1 for noncompliance with sub-commitment two.

Brazil is awarded a cumulative score of -1 for failing to comply with its standstill and rollback commitments.

Sub-commitment one: Brazil total = 18

Date imposed	Measures implemented
4 June 2013	Temporary tariff reduction on certain information technology and telecommunications goods.
4 June 2013	Temporary tariff reduction on certain capital goods.
14 May 2013	Temporary tariff reduction on certain information technology and telecommunications goods.
14 May 2013	Temporary tariff reduction on certain capital goods.
1 May 2013	Temporary import tariff exemption on cotton.
8 April 2013	Temporary tariff suspension for methanol.
8 April 2013	Tariff reductions on certain products.
4 April 2013	Tax reduction applicable to glass fiber parts for water slides.
1 April 2013	Temporary increase of wheat-import quota.
1 April 2013	Import tariff reduction on vehicles.
1 April 2013	Temporary tariff reduction on certain capital, information technology and telecommunications goods.
5 Oct. 2012	Temporary import tariff reductions on two unrelated products.
1 Oct. 2012	Temporary increase of import tariffs on certain products.
1 Oct. 2012	Common External Tariff (AEC) increased affecting 100 tariffs.
4 Sep. 2012	Temporary import tariff reduction on titanium oxides.
21 Aug. 2012	Increased import tariffs on IT and telecommunication goods.
25 July 2012	Temporary tariff reduction on vegetable fats and oils.
6 July 2012	Temporary tariff reduction on certain informatics, telecommunications, and capital goods.

Sub-commitment two: Brazil total = 2

Date imposed	Measures implemented	Rolled back or amended since	Date of roll back or

⁵⁷⁹ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 14 January 2013. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

		Los Cabos?	amendment
31 May 2012	Tariff increase on air conditioning systems and new tax on microwaves and certain types of motorcycles	No	
15 Mar. 2012	Agreement to limit car imports from Mexico	No	

Analysts: Buse Kayar and Elizabeth Stratton

Canada: +1

Canada achieved a score of +1 for full compliance with its commitments to refrain from imposing new protectionist policies since the Los Cabos Summit. The second sub-commitment was not applicable to Canada.

(1) Canada complied fully with its commitment to refrain from imposing or raising new barriers to foreign investment or trade in goods and services, export restrictions or WTO-inconsistent measures to stimulate exports.

Canada adopted antidumping duties in several instances since the Los Cabos Summit.

On 7 June 2013, Ottawa warned it may impose tariffs on everything from orange juice to bread if the United States does not change a meat-labelling policy, which costs beef and pork industries more than \$1 billion a year. So far this threat has not been implemented.⁵⁸⁰

As per subsection 38(1) of the Special Import Measures Act, on 22 April 2013, Canada instated a preliminary determination respecting alleged dumping of cold-drawn carbon or alloy steel wire, of solid cross section with an actual diameter of 1.082 mm (0.0426 inch) to 12.5 mm (0.492 inch), plated or coated with zinc or zinc alloy, whether or not coated with plastic, excluding flat wire, from the People's Republic of China, Israel and Spain; and the alleged injurious subsidizing of these goods originating in or exported from the People's Republic of China. Duties imposed on China range from 51.7 % to 79.8%. Duties on Israel range from 14.6% to 64.8%. Duties on Spain range from 10.5% to 64.8%.⁵⁸¹

On 4 April 2013. Finance Minister Jim Flaherty announced that on Jan. 1, 2015, tariffs will increase on 1,290 product classes from 72 countries with GPT status, including China, South Korea, India and Brazil. This measure is purely under discussion, and has not yet been implemented.⁵⁸²

⁵⁸⁰ Canada threatens U.S. with tariffs over meat-labelling rules, CBC News (Ottawa) 7 June 2013. Date of Access: 27 June 2013. <http://www.cbc.ca/news/world/story/2013/06/07/business-meat-labelling-tariffs.html>

⁵⁸¹ Goods Subject to Anti-Dumping or Countervailing Duties, Canada Border Service Agency (Ottawa) 22 April 2013. Date of Access: 27 June 2013. <http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1397/ad1397-i13-pd-eng.html>

⁵⁸² Canadian consumers will feel the pain of Ottawa's tariff hikes, The Globe and Mail (Ottawa) 4 April 2013. Date of Access: 27 June 2013. <http://www.theglobeandmail.com/report-on-business/economy/economy-lab/canadian-consumers-will-feel-the-pain-of-ottawas-tariff-hikes/article10753547/>

On 4 January 2013, Canada is extending an auto sector fund that provides a \$250-million pool of investment cash over five years for car companies and their suppliers. In effect, this pool of funds is a subsidy paid to Canadian auto industries.⁵⁸³

On 13 August 2012, the Canada Border Services Agency imposed preliminary anti-dumping and countervailing duties on certain carbon steel welded pipes originating in or exported from Chinese Taipei, India, Oman, Korea, Thailand, Turkey and the United Arab Emirates. The total provisional duty payable ranges from 0.5 to 84 per cent for Chinese Taipei, 23.9 to 138.7 per cent for India, 118.6 per cent for Oman, 84 per cent for Korea, 6 to 84 per cent for Thailand, 13 to 84 per cent for Turkey and 5.7 to 102.5 per cent for the United Arab Emirates.⁵⁸⁴

Canada Border Services Agency (CBSA) levied preliminary anti-dumping and countervailing duties on imports of carbon and alloy steel piling pipe with an outside diameter ranging from 8.9 cm to 40.6 cm from China on 2 August 2012. The total provisional duty payable ranges from 90.2 to 110.1 per cent.⁵⁸⁵

On 23 July 2012, Canada Border Services Agency (CBSA) issued a preliminary anti-dumping duty on liquid dielectric transformers with a top power handling capacity equal to or exceeding 60,000 kilovolt amperes from Korea. The duties range from 16.9 to 72.7 per cent.⁵⁸⁶

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁵⁸⁷ Therefore these measures will not be counted as new protectionist measures under sub-commitment one.

There is rising concern that some provincial governments in Canada will resort to protectionism to support prominent companies within their provinces and to prevent substantial or controlling foreign investments. Recent efforts by the Governments of Nova Scotia and Quebec to provide provincial aid to companies are particularly alarming.

In September 2012, the New Page Port Hawkesbury paper mill in Nova Scotia was sold to a company from British Columbia, Pacific West Commercial Corp. The Government of Nova Scotia spent USD36.8 million to keep the paper mill in a “hot idle state” before the sale. As part of the sales agreement, Nova Scotia will give Pacific West Commercial Corporation a USD124.5 million aid package over 10 years. Critics in Canada and the United States allege that the purpose

⁵⁸³ Harper renews \$250-million auto subsidy, calls sector’s rebound one of Canada’s ‘biggest success stories,’ National Post (Ottawa) 4 January 2013. Date of Access: 27 June 2013.

<http://news.nationalpost.com/2013/01/04/harper-renews-250-million-auto-subsidy-calls-sectors-rebound-one-of-canadas-biggest-success-stories/>

⁵⁸⁴ Goods Subject to Anti-Dumping or Countervailing Duties, Canada Border Service Agency (Ottawa) 13 August 2012. Date of Access: 5 January 2012. <http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1396/ad1396-i12-np-eng.html>.

⁵⁸⁵ Goods Subject to Anti-Dumping or Countervailing Duties, Canada Border Service Agency (Ottawa) 2 August 2012. Date of Access: 5 January 2012. <http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1393/ad1393-i12-np-eng.html>.

⁵⁸⁶ Goods Subject to Anti-Dumping or Countervailing Duties, Canada Border Service Agency (Ottawa) 23 July 2012. Date of Access: 5 January 2012. <http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1395/ad1395-i12-np-eng.html>.

⁵⁸⁷ Disputes by Country/Territory, World Trade Organization (Geneva) 2012. Date of Access: 14 January 2013. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

of this government aid was to maintain paper production within the province and to facilitate the sale of the paper mill to a domestic company.⁵⁸⁸

Quebec Premier Pauline Marois called for the provincial pension fund to use its assets to protect key Quebec corporations from large foreign investment and takeovers on 19 September 2012. Proposals to promote Quebec-based investments were a key theme of the 2012 election campaign of the ruling Parti Québécois.⁵⁸⁹

Canada refrained from implementing or raising protectionist measures since the Los Cabos Summit. Thus Canada was awarded a score of +1 for complying with sub-commitment one.

(2) Canada did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to Canada.

Thus, Canada received a score of +1 for the second sub-commitment.

Canada is awarded a cumulative score of +1 for compliance with the trade commitment.

Analyst: Chris D' Souza

China: 0

China received a cumulative score of 0 for partial compliance with the trade commitment. China did not comply with sub-commitment one to refrain from imposing new protectionist measures; however, China fully complied with sub-commitment two to roll-back existing protectionist measures.

(1) China failed to comply with its commitment to refrain from imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports. China has complied with its commitment to roll back new barriers to trade that arose since the Cannes Summit.

The Ministry of Commerce published the 2013 Non-duty-free Import Catalogue for domestic investment projects on 24 December 2012. The 2013 Catalogue contains 130 new items that were not included in the 2012 Catalogue and will be subject to new duties as of 1 January 2013.⁵⁹⁰

On 31 October 2012, the Ministry of Commerce announced changes to previous export quotas for agricultural and industrial products, which will come into effect in 2013. The 2013 export quota for rock phosphate was reduced from 1.2 million tons to 1.0 million tons, which is a 16.67 per

⁵⁸⁸ Paper mill sale finalized, The Chronicle Herald (Halifax) 28 September 2012. Date of Access: 15 January 2013. <http://thechronicleherald.ca/business/141140-paper-mill-sale-finalized>.

⁵⁸⁹ Quebec's Caisse to help block takeovers: Pauline Marois, The Globe and Mail (Toronto) 19 September 2012. Date of Access: 15 January 2013. <http://www.theglobeandmail.com/report-on-business/quebecs-caisse-to-help-block-takeovers-pauline-marois/article4555375/>.

⁵⁹⁰ Non-Duty-free Import Catalogue for Domestic Investment Projects, The Central People's Government of the People's Republic of China (Beijing) 31 December 2012. Date of Access: 3 January 2012. http://www.gov.cn/jrzq/2012-12/31/content_2303208.htm.

cent decrease in comparison to the 2012 export quota. The export quota for magnesia was decreased by 7.2 per cent from 1.80 million tons to 1.67 million tons for 2013.⁵⁹¹

The Ministry of Commerce released the 2013 allocation plan of export quotas for agricultural products on 15 December 2012. The export quota for sawn timber was reduced by 13.8 per cent from 98 000 cubic meters in 2012 to 84 500 cubic meters in 2013.⁵⁹²

China adopted antidumping duties in six instances since the Los Cabos Summit. On 8 November 2012, the Ministry of Commerce levied anti-dumping duties on certain high-performance stainless steel seamless tubes imported from the European Union and Japan. The duties were imposed following an anti-dumping investigation by the Ministry of Commerce, which began on 8 September 2011. The duties range from 9.2 per cent to 14.4 per cent, and will remain in place for five years.⁵⁹³ Japan referred these duties to the WTO Dispute Settlement Body on 20 December 2012.⁵⁹⁴ The European Union has also subsequently referred these duties to the WTO Dispute Settlement Body on 13 June 2013.⁵⁹⁵ The anti-dumping duties cannot be considered a violation of WTO rules until the Body issues its ruling and will not be considered a new protectionist measure under sub-commitment one.

The Ministry of Commerce levied definitive antidumping duties on imports of solar-grade polysilicon from the EU, Korea and US on 26 November 2012. The investigation on imports from Korea and the US was initiated on 20 July 2012 at the request of four domestic Chinese companies. Imports originating in the EU were added to the investigation on 1 May 2012.⁵⁹⁶

On 27 July 2012, the Ministry of Commerce imposed preliminary anti-dumping duties on imports of ethylene glycol monobutyl ether and diethylene glycol monobutyl ether from the European Union and the United States. The anti-dumping investigation was initiated on 18 November 2011.

⁵⁹¹ MOFCOM Announcement No.74 of 2012 on Total Amount of Export Quotas of Agricultural and Industrial Products in 2013, Ministry of Commerce People's Republic of China (Beijing) 5 November 2012. Date of Access: 3 January 2012.

<http://english.mofcom.gov.cn/aarticle/policyrelease/buwei/201211/20121108419252.html>

⁵⁹² MOFCOM Announcement on Issuing the Export Quotas of Some Agricultural Products in 2013, Ministry of Commerce People's Republic of China (Beijing) 20 December 2012. Date of Access: 3 January 2012. <http://english.mofcom.gov.cn/aarticle/policyrelease/buwei/201212/20121208493882.html>

⁵⁹³ MOFCOM Decided to Collect Anti-dumping Duty on Imports of Certain High-performance Stainless Steel Seamless Tubes from EU and Japan, Ministry of Commerce People's Republic of China (Beijing) 12 November 2012. Date of Access: 3 January 2012.

<http://english.mofcom.gov.cn/aarticle/subject/ctrm/lanmua/201211/20121108434125.html>.

⁵⁹⁴ Dispute DS454 China – Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes (“HP-SSST”) from Japan, World Trade Organization (Geneva) 20 December 2012. Date of Access: 14 January 2013. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds454_e.htm.

⁵⁹⁵ Dispute DS460 China – Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes (“HP-SSST”) from the European Union, World Trade Organization (Geneva) 13 June 2013. Date of Access: 27 June 2013. http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

⁵⁹⁶ China: imposition of antidumping duties on solar-grade polysilicon from EU, US and Republic of Korea, Global Trade Alert (London) 16 August 2012. Date of Access: 15 January 2013. <http://www.globaltradealert.org/measure/china-imposition-antidumping-duties-solar-grade-polysilicon-eu-us-and-republic-korea>.

The duties range from 10.1 per cent to 15.1 per cent for the United States, and 9.3 per cent to 18.8 per cent for the European Union.⁵⁹⁷

On 12 March 2013, the Ministry of Commerce levied anti-dumping duties on toluene diisocyanate (TDI 80/20) from the EU. The initial investigation was carried out on 23 March 2012. These duties range from 6.6 per cent to 37.7 per cent. Retrospective anti-dumping duties will be collected from all imports of toluene diisocyanate from the European Union between the period of 13 November 2012 and 12 March 2013.⁵⁹⁸

On 22 March 2013, the Ministry of Commerce levied anti-dumping duties on resorcinol imported from the US and Japan. The initial investigation was launched on 23 March 2012. The duties, 40.5 per cent for Japan and 30.1 per cent for the US will be in place for duration of five years.⁵⁹⁹

On 27 May 2013, the Ministry of Commerce imposed preliminary anti-dumping duties on imports of pyridine originating in India and Japan. The anti-dumping investigation was initiated on 21 September 2012. The duties range from 24.6 per cent to 57.4 per cent for India, and 47.9 per cent for Japan.⁶⁰⁰

No information was found to indicate that the affected exporting countries referred the anti-dumping duties on polysilicon, monobutyl ether, toluene diisocyanate, resorcinol or pyridine to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping measures cannot be considered a violation of WTO rules.⁶⁰¹ Therefore, these measures will not be counted as new protectionist measures.

China received a score of -1 for noncompliance with sub-commitment one. China introduced new duties on 130 types of imports for domestic investment projects and decreased annual export quotas for three goods, which exceeds the G20 median.

(2) China fully complied with its commitment to roll back existing protectionist measures that arose since the Cannes Summit.

According to the Non-duty-free Import Catalogue, the Ministry of Commerce removed 11 items from the 2013 Catalogue that were included in the 2012 Catalogue. Though the items were originally included in the catalogue before the Cannes Summit items are reassessed on a yearly

⁵⁹⁷ Decree No. 42 of 2012, Ministry of Commerce People's Republic of China (Beijing) 27 July 2012. Date of Access: 3 January 2012. <http://www.mofcom.gov.cn/aarticle/b/c/201207/20120708254036.html>.

⁵⁹⁸ MOFCOM Announcement No.16 of 2013 on Final Ruling on the Anti-dumping Investigation against Toluene Diisocyanate 14 March 2013. Date of Access: 26 June 2013. http://english.mofcom.gov.cn/article/zt_ctrn/lanmua/201303/20130300065907.shtml

⁵⁹⁹ MOFCOM Announcement No.13 of 2013 on Final Ruling on the Anti-dumping Investigation against Resorcinol 24 March 2013. Date of Access: 26 June 2013. <http://english.mofcom.gov.cn/article/policyrelease/buwei/201304/20130400073314.shtml>.

⁶⁰⁰ MOFCOM Announcement No.30 of 2013 on the Preliminary Ruling of the Anti-dumping Case against Pyridine 27 May 2013. Date of Access: 26 June 2013. <http://english.mofcom.gov.cn/article/policyrelease/buwei/201306/20130600158211.shtml>.

⁶⁰¹ Disputes by Country/Territory, World Trade Organization (Geneva) 2012. Date of Access: 14 January 2013. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

basis. Consequently, these 11 items are considered rolled back since they were included in the 2012 Catalogue, which was released after the Cannes Summit.⁶⁰²

On 17 December 2012, the Ministry of Commerce decreased tariffs on 784 goods for the 2013 tariff scheme. These tariffs were originally imposed before the Cannes Summit, however, the tariff rates are set on a yearly basis. The reduction in 2013 tariffs rates from the 2012 tariff levels, which were set after the Cannes Summit, constitute a significant amendment to an existing protectionist measure.⁶⁰³

On 10 December 2012, the Ministry of Commerce removed dried grains with or without solubles from the 2013 Catalogue of Goods Subject to Automatic Import License Administration. The imported good was originally subjected to this burdensome regulation in the 2012 Catalogue, which was released on 10 December 2011.⁶⁰⁴

On 31 October 2012, the Ministry of Commerce published export quotas for agricultural and industrial products for 2013. The export quotas are determined on a yearly basis. Export quotas for bauxite and silicon carbide were removed for 2013. The export quota for pulvis talci (lump) was increased by 10.2 per cent from 680 000 tons to 750 000 tons.⁶⁰⁵

On 25 March 2013, the Ministry of Commerce removed several technological equipments, key components and raw materials, such as signalling systems, engines, circuits, etc. from the Import Taxation schedule on Key Technological Equipments. These items will no longer face custom duty or import tariffs. Though the Import Taxation schedule on Key Technological Equipments was imposed before the Cannes Summit, it is updated yearly, with the last update on 1 April 2012.⁶⁰⁶

China earned a score of +1 for rolling back and significantly amending existing protectionist measures.

China partially complied with the trade commitment and achieved a cumulative score of 0 for failing to comply with sub-commitment one and fully complying with sub-commitment two.

Sub-commitment one: China total = 133

Date imposed	Measures implemented
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⁶⁰²Non-Duty-free Import Catalogue for Domestic Investment Projects, The Central People's Government of the People's Republic of China (Beijing) 31 December 2012. Date of Access: 3 January 2012. http://www.gov.cn/jrzq/2012-12/31/content_2303208.htm.

⁶⁰³ Notice of the Customs Tariff Commission of the State Council on the 2013 Tariff Implementation Plan, Ministry of Finance of the People's Republic of China (Beijing) 10 December 2012. Date of Access: 16 February 2013. http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201212/t20121217_716211.html.

⁶⁰⁴ MOFCOM and GACC Announcement No.94, 2012 on Releasing the 2013 Catalogue of Goods Subject to Automatic Import License Administration, Ministry of Commerce People's Republic of China (Beijing) 25 December 2012. Date of Access: 3 January 2013. <http://english.mofcom.gov.cn/aarticle/policyrelease/buwei/201212/20121208497947.htm>

⁶⁰⁵ MOFCOM Announcement No.74 of 2012 on Total Amount of Export Quotas of Agricultural and Industrial Products in 2013, Ministry of Commerce People's Republic of China (Beijing) 5 November 2012. Date of Access: 3 January 2012. <http://english.mofcom.gov.cn/aarticle/policyrelease/buwei/201211/20121108419252.html>.

⁶⁰⁶ On the Adjustment of Import Tariffs of Key Technological Equipment in the Import Taxation Schedule 25 March 2013. Date of Access: 20 June 2013. http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201303/t20130329_798789.html.

24 Dec. 2012	130 items added to the Non-duty-free Import Catalogue
15 Dec. 2012	Decreased export quota for sawn timber
31 Oct. 2012	Decreased export quota for rock phosphate
31 Oct. 2012	Decreased export quota for magnesia

Sub-commitment two: China total = 6

Date imposed	Measures Implemented	Rolled back or amended since Los Cabos	Date of roll back or amendment
14 Jul 2011	2011 Rare-Earth export quota	Yes.	22 Aug 2012
31 Oct 2011	Export quotas for industrial and agricultural products	Yes.	31 Oct 2012
9 Dec 2011	Exemption of import taxation on select items by national public service platform for SMEs	No.	
10 Dec 2011	Catalogue of goods subject to automatic import license administration	Yes.	10 Dec 2012
15 Dec 2012	Import Tariff Rate Schedule	Yes.	17 Dec 2012
1 Apr 2012	Import Taxation schedule on Key Technological Equipments	Yes.	25 Mar 2013

Analyst: Grace Gao

France: +1

France achieved a cumulative score of +1 for fully complying with sub-commitment one to refrain from imposing new protectionist measures. The second sub-commitment was not applicable.

(1) France fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

The Government of France announced a rescue plan for the automobile industry and suppliers on 30 August 2012. The plan aims to strengthen existing incentives for consumers who purchase environmentally friendly cars and dispose of older car models, which create more pollution. The subsidy for consumers purchasing electric or hybrid cars increased from EUR5000 to EUR7000 and EUR2000 to EUR4000 respectively. This measure is not considered protectionist because French consumers are entitled to receive the incentive regardless of where the cars are produced.⁶⁰⁷

France granted direct subsidies to companies to promote construction in the industrial zone of Le Havre on 31 August 2012. The European Commission ruled that France did not violate internal market competition policy because the state aid for construction, harbour transportation and general infrastructure projects were open to competition.

Since the Los Cabos Summit, the European Commission imposed anti-dumping duties in nine cases and imposed registration requirements in one instance.

⁶⁰⁷ Le plan de soutien à la filière automobile, Ministry of Productive Recovery (Paris) July 25 2012. Date of Access: 15 January 2013. <http://www.redressement-productif.gouv.fr/plan-soutien-a-filiere-automobile>.

On 21 December 2012, the European Commission raised the definitive anti-dumping duty on imports of certain seamless steel pipes of iron or steel from Russia to 28.7 per cent. Anti-dumping duties were previously applied to imports from The TMK Group at a rate of 27.2 per cent.⁶⁰⁸

The European Commission imposed a provisional anti-dumping duty on imports of threaded tube or pipe cast fittings of malleable cast iron from China and Thailand on 14 November 2012. The rate for China ranges from 32.7 to 67.8 per cent and the rate for Thailand ranges from 15.9 to 39.7 per cent. These duties apply for a period of six months.⁶⁰⁹ On 14 November 2012, the European Commission imposed a provisional anti-dumping duty on imports of ceramic tableware and kitchenware from China. The duties range from 17.6 to 58.8 per cent and will apply for six months.⁶¹⁰

On 29 October 2012, the European Commission imposed a definitive anti-dumping duty on imports of aluminium radiators from China. The duties range from 12.6 to 61.4 per cent.⁶¹¹ The European Commission levied a provisional anti-dumping duty on imports of certain organic coated steel products from China on 18 September 2012. The duties range from 13.2 to 57.8 per cent and will apply for a period of six months.⁶¹²

The European Commission imposed a provisional anti-dumping duty on imports of certain aluminium foils in rolls from China on 17 September 2012. The duties range from 13 to 35.4 per cent and will apply for six months.⁶¹³ The European Commission levied a provisional anti-dumping duty on imports of certain tube and pipe fittings of iron or steel from Russia and Turkey on 30 July 2012. The duty rate on Russia is 23.8 per cent. The duties range from 2.9 to 16.7 per cent for Turkey.⁶¹⁴

On 16 July 2012, the European Commission expanded the definitive anti-dumping duty imposed on imports of certain open mesh fabrics of glass fibres from China to include imports of certain open mesh fabrics of glass fibres consigned from Malaysia. A duty rate of 62.9 per cent will apply to these goods consigned from Malaysia.⁶¹⁵ On 26 June 2012, the European Commission

⁶⁰⁸ Commission Regulation (EU) No 585/2012, Official Journal of the European Union (Brussels) 21 December 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:357:0001:0006:EN:PDF>.

⁶⁰⁹ Commission Regulation (EU) No 1071/2012, Official Journal of the European Union (Brussels) 14 November 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:318:0010:0027:EN:PDF>.

⁶¹⁰ Commission Regulation (EU) No 1072/2012, Official Journal of the European Union (Brussels) 14 November 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:318:0028:0065:EN:PDF>.

⁶¹¹ Commission Regulation (EU) No 1039/2012, Official Journal of the European Union (Brussels) 29 October 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:310:0001:0012:EN:PDF>.

⁶¹² Commission Regulation (EU) No 845/2012, Official Journal of the European Union (Brussels) 18 September 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:252:0033:0054:EN:PDF>.

⁶¹³ Commission Regulation (EU) No 833/2012, Official Journal of the European Union (Brussels) 17 September 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:251:0029:0046:EN:PDF>.

⁶¹⁴ Commission Regulation (EU) No 699/2012, Official Journal of the European Union (Brussels) 30 July 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁶¹⁵ Commission Regulation (EU) No 672/2012, Official Journal of the European Union

increased anti-dumping duties on imports of tartaric acid from China, which now range from 8.3 per cent to 34.9 per cent.⁶¹⁶

The European Commission issued a requirement for the registration of all imports of certain prepared or preserved citrus fruits from China on 28 June 2012.⁶¹⁷

On 7 January 2013, France informed the European Commission about an on-going aid scheme to rescue “Banque PSA Finance” (PSA bank). The EU Commission has observed that 28 per cent of car sales by Peugeot and Citroen were financed by the PSA Bank. It has rule that such forms of state guarantees improved the position of the PSA bank with regards to other financial institutions and would in turn affect trade between member states. The proposed state aid measure was deemed as discriminatory towards trade in the EU.⁶¹⁸

On 18 February 2013, the Council of the European Commission decided to impose definitive antidumping duties on the imports of bioethanol from the United States. This followed formal complaints by the European Producers Union of Renewable Ethanol Association on 25 October 2011.⁶¹⁹

On 11 March 2013, the Commission decided to impose a countervailing duty on imports of the certain organic coated steel originating in China. This initiated an anti-subsidy proceeding following a formal complaint by the European Steel Association on 22 February 2012.⁶²⁰

On 19 April 2013 the European Commission adjusted the trigger level for a multitude of fruits and vegetables. These include; tomatoes, cucumbers, artichokes, courgettes, oranges, clementines, mandarins, lemons, table grapes, apples, pears, apricots, cherries, peaches and plums. As imports above the trigger level will be subject to additional duties, the increase in trigger levels for 7 products (and a decrease for 8 others) is expected to augment import duties for certain fruits and vegetables.⁶²¹

On 11 April 2013, the European Commission released a regulation which introduces mandatory registration and tracking of all imports of biodiesel originating in Argentina and Indonesia. The

(Brussels) 16 July 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁶¹⁶ Commission Regulation (EU) No 626/2012, Official Journal of the European Union

(Brussels) 26 June 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:182:0001:0005:EN:PDF>.

⁶¹⁷ Commission Regulation (EU) No 572/2012, Official Journal of the European Union

(Brussels) 28 June 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁶¹⁸ France: State guarantee to PSA Group, (Brussels) 11 January 2013. Date of Access: 10 June 2013.

http://ec.europa.eu/competition/state_aid/cases/247306/247306_1425149_261_2.pdf

⁶¹⁹ Procedures relating to the Implementation of the Common Commercial Policy, (Brussels) 25 October 2011. Date Accessed 15 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2011:345:0007:0012:EN:PDF>

⁶²⁰ Council Implementing Regulation (EU) No 215/2013, Official Journal of the European Union, (Brussels) 11 March 2013. Date Accessed: 18 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:073:0016:0097:EN:PDF>

⁶²¹ Commission Implementing Regulation (EU) No 353/2013, Official Journal of the European Union (Brussels) 18 April 2013. Date of Access: 18 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:109:0001:0003:EN:PDF>

move followed a 29 August 2012 initiation of an antidumping investigation from these two countries.⁶²²

On 3 May 2013, the European Commission imposed provisional antidumping duties on stainless steel wires imported from India. The European Confederation of Iron and Steel Industries formally lodged its complaint on 28 June 2012. The duties are to be collected for a period of 6 months starting on 9 May 2013.⁶²³

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁶²⁴ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

France received a score of +1 for complying in full with sub-commitment one to refrain from imposing or raising new protectionist measures.

(2) France did not implement new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to France.

Thus, France received a score of +1 for the second sub-commitment.

France is awarded a cumulative score of +1 for compliance with the trade commitment.

Analyst: Aleksandar Djerić

Germany: +1

Germany earned a cumulative score of +1 for full compliance with sub-commitment one and sub-commitment two.

(1) Germany achieved full compliance with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

Since the Los Cabos Summit, the European Commission imposed anti-dumping duties in nine cases and imposed registration requirements in one instance.

On 21 December 2012, the European Commission raised the definitive anti-dumping duty on imports of certain seamless steel pipes of iron or steel from Russia to 28.7 per cent. Anti-dumping duties were previously applied to imports from The TMK Group at a rate of 27.2 per cent.⁶²⁵

⁶²² Notice of initiation of an anti-dumping proceeding concerning imports of biodiesel originating in Argentina and Indonesia, Official Journal of the European Union (Brussels). 29 August 2012. Date Accessed: 20 June 2013. http://trade.ec.europa.eu/doclib/docs/2012/august/tradoc_149876.init.en.C260-2012.pdf

⁶²³ Notice of initiation of an anti-dumping proceeding concerning imports of stainless steel wires originating in India, (2012/C 240/07), Official Journal of the European Union (Brussels) 28 June 2012. Date Accessed: 10 June 2013. http://trade.ec.europa.eu/doclib/docs/2012/august/tradoc_149857.init.en.C240-2012.pdf

⁶²⁴ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

⁶²⁵ Commission Regulation (EU) No 585/2012, Official Journal of the European Union

The European Commission imposed a provisional anti-dumping duty on imports of threaded tube or pipe cast fittings of malleable cast iron from China and Thailand on 14 November 2012. The rate for China ranges from 32.7 to 67.8 per cent and the rate for Thailand ranges from 15.9 to 39.7 per cent. These duties apply for a period of six months.⁶²⁶ On 14 November 2012, the European Commission imposed a provisional anti-dumping duty on imports of ceramic tableware and kitchenware from China. The duties range from 17.6 to 58.8 per cent and will apply for six months.⁶²⁷

On 29 October 2012, the European Commission imposed a definitive anti-dumping duty on imports of aluminium radiators from China. The duties range from 12.6 to 61.4 per cent.⁶²⁸ The European Commission levied a provisional anti-dumping duty on imports of certain organic coated steel products from China on 18 September 2012. The duties range from 13.2 to 57.8 per cent and will apply for a period of six months.⁶²⁹

The European Commission imposed a provisional anti-dumping duty on imports of certain aluminium foils in rolls from China on 17 September 2012. The duties range from 13 to 35.4 per cent and will apply for six months.⁶³⁰ The European Commission levied a provisional anti-dumping duty on imports of certain tube and pipe fittings of iron or steel from Russia and Turkey on 30 July 2012. The duty rate on Russia is 23.8 per cent. The duties range from 2.9 to 16.7 per cent for Turkey.⁶³¹

On 16 July 2012, the European Commission expanded the definitive anti-dumping duty imposed on imports of certain open mesh fabrics of glass fibres from China to include imports of certain open mesh fabrics of glass fibres consigned from Malaysia. A duty rate of 62.9 per cent will apply to these goods consigned from Malaysia.⁶³² On 26 June 2012, the European Commission

(Brussels) 21 December 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:357:0001:0006:EN:PDF>.

⁶²⁶ Commission Regulation (EU) No 1071/2012, Official Journal of the European Union (Brussels) 14 November 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:318:0010:0027:EN:PDF>.

⁶²⁷ Commission Regulation (EU) No 1072/2012, Official Journal of the European Union (Brussels) 14 November 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:318:0028:0065:EN:PDF>.

⁶²⁸ Commission Regulation (EU) No 1039/2012, Official Journal of the European Union (Brussels) 29 October 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:310:0001:0012:EN:PDF>.

⁶²⁹ Commission Regulation (EU) No 845/2012, Official Journal of the European Union (Brussels) 18 September 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:252:0033:0054:EN:PDF>.

⁶³⁰ Commission Regulation (EU) No 833/2012, Official Journal of the European Union (Brussels) 17 September 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:251:0029:0046:EN:PDF>.

⁶³¹ Commission Regulation (EU) No 699/2012, Official Journal of the European Union (Brussels) 30 July 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁶³² Commission Regulation (EU) No 672/2012, Official Journal of the European Union (Brussels) 16 July 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

increased anti-dumping duties on imports of tartaric acid from China, which now range from 8.3 per cent to 34.9 per cent.⁶³³

The European Commission issued a requirement for the registration of all imports of certain prepared or preserved citrus fruits from China on 28 June 2012.⁶³⁴

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁶³⁵ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

Germany received a score of +1 for full compliance with sub-commitment one to refrain from imposing or raising new protectionist measures.

(2) Germany did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to Germany.

Thus, Germany received a score of +1 for the second sub-commitment.

Germany is awarded a cumulative score of +1 for compliance with the trade commitment.

Analyst: Elizabeth Stratton

India: -1

India received a score of -1 for failing to comply with its commitments to refrain from imposing new protectionist policies and to roll back protectionist policies that arose since the Cannes Summit.

(1) India did not comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

On 6 June 2013, India imposed an import duty on gold. The duty will rise to 8 per cent from 6 per cent, in order to combat its current account deficit.⁶³⁶

On 9 May 2013, India implemented a 2.5-percentage point increase in duties on imports of all polymers and ethylene vinyl acetate (EVA) to 7.5%. This may lead to higher domestic list prices

⁶³³ Commission Regulation (EU) No 626/2012, Official Journal of the European Union (Brussels) 26 June 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:182:0001:0005:EN:PDF>.

⁶³⁴ Commission Regulation (EU) No 572/2012, Official Journal of the European Union (Brussels) 28 June 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁶³⁵ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

⁶³⁶ India Boosts Gold Import Tax to Curb Record Deficit, Bloomberg (New Delhi) 6 June 2013. Date of Access: 27 June 2013. <http://www.bloomberg.com/news/2013-06-05/india-raises-gold-import-duty-as-record-deficit-pressures-rupee.html>

of polymers such as polyethylene (PE), polypropylene (PP), polyvinyl chloride (PVC) and polystyrene (PS) in the domestic market, as well.⁶³⁷

On 8 May 2013, India imposes 2.5% duties on scrap metal imports. India has imposed a 2.5% customs duty on imports of scrap iron, steel and aluminium and a 4% duty on imports of brass scrap, effective immediately.⁶³⁸

On 16 April 2013, India will implement a binding quota of at least 2.5 lakh cars from the European Union at a concessional tariff of 10%. This move will come benefit European auto producers who have to currently pay 100% customs duty on vehicles that cost over \$40,000. However, the tariff will be replaced by a quota, which means allowing a specified number of a product at lower duty. This is set for a five-year period.⁶³⁹

On 23 January 2013, India increased basic custom duty on all types of crude edible oil by 2.5%.⁶⁴⁰

On 26 March 2013, The government of India extended Notification No. 12 /2012 — Customs for one year, so as to read “1st day of April 2014.” In addition several amendments have been made to this provision, increasing existing duties by various percentages, ranging from 0 to 7.5.⁶⁴¹

India introduced one import ban and six new import taxes and duties since the Los Cabos Summit. On 5 October 2012, India banned imports of poppy seeds from Slovenia.⁶⁴²

India imposed a new tax on crude palm oil and soybean oil imports at a rate of 2.5 per cent on 18 January 2013.⁶⁴³ On 4 January 2013, the Government of India levied a provisional safeguard duty on imports of hot rolled flat products of stainless steel 304-grade up to a maximum width of 1605 mm from China for 200 days.⁶⁴⁴ On 24 September 2012, India levied an ad valorem duty of 20

⁶³⁷ India Raises Import Duties on all Polymers; Price Hikes likely, ICIS News (Singapore) 9 May 2013. Date of Access: 27 June 2013.

<http://www.icis.com/Articles/2013/05/09/9666463/india+raises+import+duties+on+all+polymers+price+hikes+likely.html>

⁶³⁸ India imposes 2.5% duties on scrap metal imports, Metal Bulletin (New York) 10 May 2013. Date of Access: 27 June 2013. <http://www.metalbulletin.com/Article/3203855/India-imposes-25-duties-on-scrap-metal-imports.html>

⁶³⁹ India to allow import of 2.5 lakh EU cars at 10% duty, Times of India (New Delhi) 16 April 2013. Date of Access: 27 June 2013. <http://timesofindia.indiatimes.com/business/india-business/India-to-allow-import-of-2-5-lakh-EU-cars-at-10-duty/articleshow/19571679.cms>

⁶⁴⁰ Notification No. 02/2013-Customs, Ministry of Finance (New Delhi) 23 January 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-tarr2013/cs02-2013.htm>

⁶⁴¹ Notification No. 18 /2013 – Customs, Ministry of Finance (New Delhi) 26 March 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-tarr2013/cs18-2013.pdf>

⁶⁴² Notification No. 19 (RE-2012)/2009-2014, Ministry of Commerce and Industry (New Delhi) 5 October 2012. Date of Access: 15 January 2013. <http://164.100.9.245/Exim/2000/NOT/NOT12/not1912.htm>.

⁶⁴³ Government slaps 2.5 per cent import duty on crude palm oil, Times of India (New Delhi) 18 January 2013. Date of Access: 26 January 2013. <http://timesofindia.indiatimes.com/business/india-business/Government-slaps-2-5-import-duty-on-crude-palm-oil/articleshow/18069133.cms>.

⁶⁴⁴ Customs Notification No 1/2013, Ministry of Finance (New Delhi) 4 January 2013. Date of Access: 26 January 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-sg2013/cssg01-2013.htm>.

per cent on 300-series hot-rolled stainless-steel plates imported from China for 200 days.⁶⁴⁵ The Indian government imposed a flat import duty of 10 per cent on gold on 21 August 2012.⁶⁴⁶ On 16 July 2012, the government imposed an import duty of 10 per cent on raw sugar.⁶⁴⁷

India imposed a 5 per cent import duty on power generation equipment on 21 June 2012. Imported equipment will be subject to an additional countervailing duty of 10 per cent and a special additional duty of 4 per cent. The total duties equal to 19 per cent will apply to equipment imported for mega projects, which generate at least 1000 megawatts of power. Equipment imported for non-mega projects will be subject to a further excise duty of 2 per cent. The total duty rate for equipment for non-mega projects will equal 21 per cent.⁶⁴⁸

India raised import taxes and duties in two instances since the Los Cabos Summit. On 22 January 2013, India increased the import tax on gold to 6 per cent from 4 per cent.⁶⁴⁹ On 16 July 2012, the Ministry of Finance raised the import duty on certain flat steel products to 7.5 per cent from 5 per cent.⁶⁵⁰

The Government of India adopted anti-dumping duties in several instances since the Los Cabos Summit.

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁶⁵¹ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

⁶⁴⁵ India Special Safeguard against Hot-rolled Stainless-Steel Plates from China, E-To-China (New Delhi) 26 September 2012. Date of Access: 5 January 2013.

http://www.e-to-china.com/tariff_changes/data_tariff_changes/2012/0926/104456.html.

⁶⁴⁶ Import Duty on Gold Burns NRI Pockets, Times of India (Hyderabad) 21 August 2012. Date of Access: 5 January 2013. http://articles.timesofindia.indiatimes.com/2012-08-21/hyderabad/33302076_1_import-duty-gold-jewellery-gold-ornaments.

⁶⁴⁷ 10 per cent Import Duty Slapped on Raw Sugar; Levy on Steel Alloys Hiked, The Hindu Business Line (New Delhi) 16 July 2012. Date of Access: 5 January 2013. <http://www.thehindubusinessline.com/industry-and-economy/article3646552.ece>.

⁶⁴⁸ Government to Impose 5 per cent Customs Duty on Power Equipment, The Live Mint and the Wall Street Journal (New Delhi) 21 June 2012. Date of Access: 5 January 2013. <http://www.livemint.com/Politics/tr9Jry8ITcvS7E3XK15EEL/Govt-to-impose-5-customs-duty-on-power-equipment.html>.

⁶⁴⁹ India targets alloy in second gold duty hike this week, The Economic Times of India (Mumbai) 22 January 2013. Date of Access: 26 January 2013. http://articles.economictimes.indiatimes.com/2013-01-22/news/36484647_1_bombay-bullion-association-gold-imports-import-duty.

⁶⁵⁰ 10 per cent Import Duty Slapped on Raw Sugar; Levy on Steel Alloys Hiked, The Hindu Business Line (New Delhi) 16 July 2012. Date of Access: 5 January 2013. <http://www.thehindubusinessline.com/industry-and-economy/article3646552.ece>.

⁶⁵¹ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

On 16 May 2013, India imposed anti-dumping duties on imports of Peroxosulphate exported from People's Republic of China and Japan for a further period of 5 years pursuant to final findings of SSR. Duty rates range from 420 to 822 USD per MT.⁶⁵²

On 3 May 2013, India has overruled notification No. 114/2008 dated the 31st October 2008, so that it will withdraw anti-dumping duties on imports of Phenol, originating in or exported from Singapore and European Union and to continue levy of anti-dumping duty on imports of Phenol exported from South Africa up to the 30th October, 2013. The Continued rate is 119 USD per MT.⁶⁵³

On 26 April 2013, India modified anti-dumping duty on Carbon black used in rubber applications, exported from the People's Republic of China, Thailand, Russia and Australia. New duties will range from 0.186 to 0.423 USD per Kg.⁶⁵⁴

On 18 April 2013, India imposed definitive anti-dumping duties on import of Soda Ash exported from Russia and Turkey. Duties range from 18.39 to 35.99 USD per MT.⁶⁵⁵

On 12 April 2013, India imposed definitive anti-dumping duty on Plain Gypsum Plaster Board originating in or exported from China PR, Indonesia, Thailand and UAE. Duties will be effective for 5 years, and range from 23.50 to 73.80 USD per cubic metre.⁶⁵⁶

On 10 April 2013, India extended anti-dumping duties under notification No. 127/2008-Customs, dated the 3 December, 2008 on imports of 'Sulphur Black', originating in, or exported from, People's Republic of China for a further period of one year until 10 April 2014.⁶⁵⁷

On 10 April 2013, India extended anti-dumping duties imposed under notification No. 49/2008-Customs, dated the 10 April 2008 on imports of 'Sodium Nitrite', from, European Union for a further period of one year, until 10 April 2014.⁶⁵⁸

On 26 March 2013, India levied anti-dumping duties on Flat Base Steel products originating in, or exported from, People's Republic of China, ranging from 512.64 to 613.00 USD per MT.⁶⁵⁹

⁶⁵² Notification No. 11 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 16 May 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-11-2013.pdf>

⁶⁵³ Notification No. 10 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 3 May 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-10-2013.htm>

⁶⁵⁴ Notification No. 09 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 26 April 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-09-2013.pdf>

⁶⁵⁵ Notification No. 08 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 18 April 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-08-2013.pdf>

⁶⁵⁶ Notification No. 06 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 12 April 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-06-2013.htm>

⁶⁵⁷ Notification No. 05 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 10 April 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-05-2013.htm>

⁶⁵⁸ Notification No. 04 / 2013-Customs (ADD), Ministry of Finance (New Delhi) 10 April 2013. Date of Access: 27 June 2013 <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-04-2013.htm>

On 22 March 2013, India levied anti-dumping duties on Meta Phenylene Diamine originated in or exported from the People's Republic of China, ranging from 0.57 to 0.78 USD per Kg.⁶⁶⁰

On 4 February 2013, India re-imposed for an additional year anti-dumping duty under Notification No. 15/2008-Customs, dated 5 February, 2008, on imports of 'Flexible Slabstock Polyol', originating in, or exported from, United States of America and Japan, until 4 February 2014.⁶⁶¹

On 24 December 2012, India levied anti-dumping duties on imports of phthalic anhydride from Israel, Korea and Taiwan. The duties range from USD91.12 to USD139.76 per tonne.⁶⁶² On 21 December 2012, India imposed anti-dumping duties on imports of choline chloride from China at a rate of 60.79 per cent.⁶⁶³

India imposed definitive anti-dumping duties on imports of digital offset printing plates from China on 3 December 2012. The duties range from USD4.87 to 5.81 per square metre.⁶⁶⁴ India imposed anti-dumping duties on new or unused pneumatic non radial bias tyres from China and Thailand on 8 October 2012. The rates range from USD0.86 to 1.31 per kilogram.⁶⁶⁵

On 16 July 2012, the Indian government levied definitive anti-dumping duties on imports of Grinding Media Balls, excluding Forged Grinding Media Balls, from Thailand and China. The duty rates range from USD187 to 387.36 per tonne.⁶⁶⁶ India imposed definitive anti-dumping duties on soda ash originating from China, the European Union, Iran, Kenya, Pakistan, Ukraine and the United States at rates ranging from USD2.38 to 38.79 per tonne on 3 July 2012.⁶⁶⁷ On 20 June 2012, India imposed definitive anti-dumping duties on imports of pentaerythritol from the

⁶⁵⁹ Notification No. 03/2013-Customs (ADD), Ministry of Finance (New Delhi) 26 March 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-03-2013.htm>

⁶⁶⁰ Notification No. 02/2013-Customs (ADD), Ministry of Finance (New Delhi) 22 March 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-02-2013.htm>

⁶⁶¹ Notification No.1 /2013-Customs (ADD), Ministry of Finance (New Delhi) 4 February 2013. Date of Access: 27 June 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-01-2013.htm>

⁶⁶² Customs Notification No. 58/2012, Ministry of Finance (New Delhi) 24 December 2012. Date of Access: 15 January 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-58-2012.htm>

⁶⁶³ Customs Notification No. 57/2012, Ministry of Finance (New Delhi) 21 December 2012. Date of Access: 15 January 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-57-2012.htm>

⁶⁶⁴ Customs Notification No 51/2012, Ministry of Finance (New Delhi) 3 December 2012. Date of Access: 5 January 2013. http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-51-2012_eng.htm

⁶⁶⁵ Customs Notification No 47/2012, Ministry of Finance (New Delhi) 8 October 2012. Date of Access: 5 January 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-47-2012.htm>

⁶⁶⁶ Customs Notification No 36/2012, Ministry of Finance (New Delhi) 3 July 2012. Date of Access: 5 January 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-36-2012.htm>

⁶⁶⁷ Customs Notification No 34/2012, Ministry of Finance (New Delhi) 20 June 2012. Date of Access: 5 January 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-34-2012.htm>

European Union, excluding Sweden, for a period of five years. The duties range from USD379 to 490 per tonne.⁶⁶⁸

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁶⁶⁹ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

India earned a score of -1 for noncompliance with sub-commitment one. India imposed an import ban and six import taxes and duties, as well as raising two import taxes and duties. India exceeded the median number of protectionist policies imposed by G20 members.

(2) No evidence was found that India has rolled back or significantly amended any protectionist policies implemented since the Cannes Summit.

India received a score of -1 for noncompliance with sub-commitment two.

India is awarded an overall compliance score of -1 for noncompliance with the trade commitment.

Sub-commitment one: India total = 9

Date imposed	Measures implemented
6 June 2013	Increased import duty on gold
9 May 2013	Import duties on all polymers and ethylene vinyl acetate
8 May 2013	Import duties of scrap iron and aluminium
16 April 2013	Binding quota on car imports
26 March 2013	Import duties on crude oil
23 March 2013	Extended import duties on multiple goods
22 Jan. 2013	Increased import tax on gold
18 Jan. 2013	Imposed import tax on crude palm oil and soybean oil
4 Jan. 2013	Levied provisional safeguard duty on hot rolled flat stainless steel products
5 Oct. 2012	Introduced import ban on poppy seeds from Slovenia
24 Sept. 2012	Imposed import duty on 300-series hot-rolled stainless-steel plates from China
21 Aug. 2012	Imposed import duty on gold
16 July 2012	Imposed import duty on raw sugar
16 July 2012	Increased import duty on certain flat steel products
21 June 2012	Imposed duties on power generation equipment

Analyst: Chris D'Souza

Indonesia: 0

Indonesia received a cumulative score of 0 for partially complying with the trade commitment. Indonesia failed to comply with its standstill commitment but complied in full with the roll back commitment.

⁶⁶⁸ Customs Notification No 33/2012, Ministry of Finance (New Delhi) December 2012. Date of Access: 5 January 2012. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-33-2012.htm>.

⁶⁶⁹ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

(1) Indonesia did not comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

On 29 October 2012, the Ministry of Trade issued new regulations regarding the franchising of retail businesses within Indonesia. The regulation will limit the maximum number of outlets directly owned by a retail entrepreneur to 150 and require that 80 per cent of goods being sold are locally produced. The measures will be implemented within the next five years. This regulation will mainly affect foreign owners and investors.⁶⁷⁰

Indonesia introduced a new requirement for producers and importers of horticultural commodities to obtain a special import permit from the Indonesian Ministry of Agriculture on 28 September 2012. The rule was originally announced on 7 May 2012.⁶⁷¹ The measure was referred to the Dispute Settlement Body at the World Trade Organization on 10 January 2013 by the United States.⁶⁷²

Indonesia received a score of -1 for noncompliance with sub-commitment one. Indonesia imposed two protectionist policies during the compliance cycle, which exceeds the G20 median.

(2) Indonesia complied fully with sub-commitment two to roll back existing protectionist measures that arose since the Cannes Summit.

In June 2012, the Government of Indonesia increased the import quota for beef to 41 000 tonnes from 34 000 tonnes in March 2012. The import quota was substantially reduced in March 2012 from a previous level of 100 000 tonnes.⁶⁷³

Indonesia earned a score of +1 for full compliance with sub-commitment two by significantly amending an import quota.

Indonesia received a cumulative score of 0 for partial compliance with the trade commitment.

Sub-commitment one: Indonesia total = 2

Date imposed	Measures implemented
29 Oct. 2012	Restrictions on retail franchises and requirements for locally produced goods
28 Sept. 2012	New import permit requirement for horticultural goods

Analysts: Isa Topbas and Elizabeth Stratton

⁶⁷⁰ 2012 Doing Business in Indonesia: Commercial Guide for US Companies, US Department of Commerce (Washington) 2012. Date of Access: 15 January 2013. [http://export.gov/indonesia/static/2012percent20CCGper cent20Indonesia_Latest_eg_id_050874.pdf](http://export.gov/indonesia/static/2012percent20CCGper%20Indonesia_Latest_eg_id_050874.pdf).

⁶⁷¹ Government tightens grip on horticultural imports, The Jakarta Post (Jakarta) 14 May 2012. Date of Access: 15 January 2013. <http://www.thejakartapost.com/news/2012/05/14/govt-tightens-grip-horticulture-imports.html>.

⁶⁷² Dispute DS455, Dispute Settlement Body –World Trade Organization (Geneva) 10 January 2013. Date of Access: 15 January 2013. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds455_e.htm.

⁶⁷³ Indonesia Beef Quota Threatens Meatball, Sausage Producers, The Jakarta Globe (Jakarta) 14 April 2012. Date of Access: 15 January 2013. <http://www.thejakartaglobe.com/business/indonesia-beef-quota-threatens-meatball-sausage-producers/511304>.

Italy: 0

Italy has partially complied with its commitment to not raise or impose new barriers to investment or trade in goods and services, new export restrictions or WTP inconsistent measures to stimulate measures.

On 10 October 2011, the European Commission extended antidumping duties in force on imports of hand pallet trucks and their essential parts originating in China for an additional period of five years. The original measure was imposed on 21 July 2005, with an anti-circumvention investigation following on 16 June 2009 to extend the duties to the products consigned through Thailand.⁶⁷⁴

On 7 December 2012 the EC agreed to maintain an implementation from 2009 to allow for import restrictions against textiles from Belarus.⁶⁷⁵ The initial textile import restrictions are from 7 March 1994 against only North Korea.

On 25 June 2012 an investigation has been initiated⁶⁷⁶ concerning the imposition of anti-dumping measures on imports of gas-fuelled, non-refillable pocket flint lighters originating in the People's Republic of China by imports consigned from Vietnam whether declared as originating in Vietnam or not, be subject to registration⁶⁷⁷.

On 26 June 2012 the European Commission extended the antidumping duties in force against imports of seamless pipes and tubes, of iron or steel, origination in Russia and Ukraine⁶⁷⁸. On 21 December 2012 the European Commission decided to amend its decision and to impose anti-dumping duties on certain imports from the specific company TMK Group at 28.7 per cent⁶⁷⁹.

In July 2012 industrial group Finmeccanica announced its intent on selling Ansaldo Energia⁶⁸⁰. Siemens, a German Company, offered to purchase these shares. Fondo Strategico Italiano (FSI)

Concil Implementing Regulation (EU), Official Journal of the European Union (Brussels). 10 October 2011. Date of Access: 22 June 2013. ⁶⁷⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:268:0001:0011:EN:PDF>

⁶⁷⁵ Commission Implementing Regulation (EU) No 1163/2012. Official Journal of the European Union (Brussels). 7 December 2012. Date of Access: 22 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:336:0022:0028:EN:PDF>

⁶⁷⁶ EC: Initiation of investigation concerning possible circumvention of antidumping measures on imports of certain flint lighters originating from China, Global Trade Alert (London). 4 November 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/ec-initiation-investigation-concerning-possible-circumvention-antidumping-measures-imports-0>

⁶⁷⁷ Council Implementing Regulation (EU) No. 548/2012, Official Journal of the European Union (Brussels) 25 June 2012. Date of Access: 3 January 2013. http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc_149595_init-circum.en.L165-2012.pdf

⁶⁷⁸ Council Implementing Regulation (EU) No. 585/2012, Official Journal of the European Union (Brussels) 26 June 2012. Date of Access: 3 January 2013. http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149665_def.and.term.en.L174-2012.pdf

⁶⁷⁹ EC: Extension of antidumping duties on certain seamless pipes and tubes of iron or steel from Russia and Ukraine, Global Trade Alert (London). 4 November 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/ec-extension-antidumping-duties-certain-seamless-pipes-and-tubes-iron-or-steel-russia-and-uk>

⁶⁸⁰ Italy: Blocked foreign purchase of Ansaldo Energia, Global Trade Alert (London). 29 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/italy-blocked-foreign-purchase-ansaldo-energia>

interfered on account of keeping the company in “Italian Hands”⁶⁸¹. On 13 October 2012 a memorandum of understanding was by FSI, Gruppo Energia Brescia, Gruppo Acciaierie Venete and a major owner of Gas Plus; successfully blocking Siemens bid to acquire the shares of Ansaldo Energia⁶⁸².

On 5 July 2012 an investigation was launched regarding anti-dumping measures on silicon originating from the People’s Republic of China consigned from Taiwan⁶⁸³. These consignments of silicon have been requested to undergo the same anti-dumping registration⁶⁸⁴. The original duties against anti-dumping measures were imposed on the People’s Republic of China in March 2004⁶⁸⁵.

On 17 July 2012 a complaint was lodged by the European Biodiesel Board against imports of biodiesel originating in Argentina and Indonesia⁶⁸⁶. On 29 August 2012 the EC announced its initiation of an anti-dumping investigation concerning these imports⁶⁸⁷.

On 30 August 2012 the EC extended the anti-dumping duty of 27.1 per cent and 47.4 per cent on imports of lever arch mechanism originating in the People’s Republic of China⁶⁸⁸. The initial definitive duty was imposed on 24 July 2006⁶⁸⁹.

On 13 September 2012 the European Commission implemented a temporary abolition of import tariffs on textiles from Pakistan⁶⁹⁰. The temporary abolition is a humanitarian response to the

⁶⁸¹ Italy: Blocked foreign purchase of Ansaldo Energia, Global Trade Alert (London). 29 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/italy-blocked-foreign-purchase-ansaldo-energia>

⁶⁸² Italy: Blocked foreign purchase of Ansaldo Energia, Global Trade Alert (London). 29 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/italy-blocked-foreign-purchase-ansaldo-energia>

⁶⁸³ Commission Regulation (EU) No. 596/2012, Official Journal of the European Union (Brussels). 5 July 2012. Date of Access: 3 January 2013.

http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149686.circum.init.en.L176-2012.pdf

⁶⁸⁴ Commission Regulation (EU) No. 596/2012, Official Journal of the European Union (Brussels). 5 July 2012. Date of Access: 3 January 2013.

http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149686.circum.init.en.L176-2012.pdf

⁶⁸⁵ EC: Extended antidumping duties on silicon metal from China, Korea and Chinese Taipei, Global Trade Alert (London). 6 November 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/ec-extended-antidumping-duties-silicon-metal-china-korea-and-chinese-taipei>

⁶⁸⁶ Procedures Relating to the Implementation of the Common Commercial Policy, Official Journal of the European Union (Brussels). 29 August 2012. Date of access: 22 June 2013.

http://trade.ec.europa.eu/doclib/docs/2012/august/tradoc_149876.init.en.C260-2012.pdf

⁶⁸⁷ Procedures Relating to the Implementation of the Common Commercial Policy, Official Journal of the European Union (Brussels). 29 August 2012. Date of access: 22 June 2013.

http://trade.ec.europa.eu/doclib/docs/2012/august/tradoc_149876.init.en.C260-2012.pdf

⁶⁸⁸ Council Implementing Regulation (EU) No 796/2012, Official Journal of the European Union (Brussels). 30 August 2012. Date of Access: 22 June 2013.

http://trade.ec.europa.eu/doclib/docs/2012/september/tradoc_149890.def.en.L238-2012.pdf

⁶⁸⁹ Council Implementing Regulation (EU) No 796/2012, Official Journal of the European Union (Brussels). 30 August 2012. Date of Access: 22 June 2013.

http://trade.ec.europa.eu/doclib/docs/2012/september/tradoc_149890.def.en.L238-2012.pdf

⁶⁹⁰ EC: Temporary abolition of import duties on textiles from Pakistan, Global Trade Alert (London). 5 November 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/ec-temporary-abolition-import-duties-textiles-pakistan>

natural disaster (floods) faced by the region in 2010⁶⁹¹. It will promote human and labour rights, job security for the textile industry, geopolitical security, and trade between the European Union and the Islamic Republic of Pakistan⁶⁹².

On 28 September 2012 the European commission approved the Italian government's notification of state aid to fund Fibersar (telecommunication infrastructure) and Bulgas (gas distribution network). The aid will be in the form of a direct grant obtained from European Regional Development Fund and from national and regional funds. The overall cost is EUR 82 975 200.⁶⁹³

On 10 October 2012 the European Commission decided to reopen the anti-dumping investigation regarding imports of ethanolamines produced by The Dow Chemical Corp⁶⁹⁴. The original anti-dumping duty has been annulled in May 2012 and was initially imposed 19 January 2010⁶⁹⁵.

On 8 November 2012 the European Union and ten Latin American countries have signed an agreement settling banana disputes dating back from 1992 under the General Agreement on Tariffs and Trade⁶⁹⁶. The agreement allows for import tariffs to decline annually until 1 January 2017 at a maximum of 114 EU per tonne.⁶⁹⁷

On 22 November 2012 Peoples Republic of China requested consultations through the WTO Dispute Settlements with specifically Italy and Greece, and the European Union regarding certain measures that affect the renewable energy sector.⁶⁹⁸ No information has been provided regarding the outcome of these requests.

⁶⁹¹ Emergency autonomous trade preferences for Pakistan, European Parliament (Strasbourg). 13 September 2012. Date of Access: 3 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0350+0+DOC+XML+V0//EN>

⁶⁹² Emergency autonomous trade preferences for Pakistan, European Parliament (Strasbourg). 13 September 2012. Date of Access: 3 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0350+0+DOC+XML+V0//EN>

⁶⁹³ http://ec.europa.eu/competition/state_aid/cases/244582/244582_1390156_60_2.pdf

⁶⁹⁴ EC: Anti-dumping measures regarding ethanolamines originating in the United States, Global Trade Alert (London). 5 November 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/ec-anti-dumping-measures-regarding-ethanolamines-originating-united-states>

⁶⁹⁵ Procedures relating to the implementation of the common commercial policy, European Commission, Official Journal of the European Union (Brussels). 10 October 2012. Date of Access: 3 January 2013. http://trade.ec.europa.eu/doclib/docs/2012/october/tradoc_149980.partial-re-opening.en.C314-2012.pdf

⁶⁹⁶ Historic signing ends 20 years of EU-Latin American banana disputes, World Trade Organization (Geneva). 8 November 2012. Date of Access: 3 January 2013. http://www.wto.org/english/news_e/news12_e/disp_08nov12_e.htm

⁶⁹⁷ Historic signing ends 20 years of EU-Latin American banana disputes, World Trade Organization (Geneva). 8 November 2012. Date of Access: 3 January 2013. http://www.wto.org/english/news_e/news12_e/disp_08nov12_e.htm

⁶⁹⁸ European Union and certain Member States- Certain Measures Affecting the Renewable Energy Generation Sector Dispute DS452, World Trade Organization (Geneva). 22 November 2012. Date of Access: 3 January 2013. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds452_e.htm

On 3 December 2013 the EC imposed a definitive anti-dumping duty on imports of chamois leather originating in the People's Republic of China. The original measure was imposed on 14 September 2006.⁶⁹⁹

On 19 December 2012 the EC has extended the suspension of import tariffs on fishery products put in place in 2010 until 2015⁷⁰⁰. This import suspension will ensure an adequate supply to the processing industry in light of lowering self-sufficiency in the area⁷⁰¹.

On 7 March 2013 the European Commission extended antidumping duties on certain stainless steel fasteners originating in China and Taiwan to include products from Malaysia, Thailand and the Philippines⁷⁰². The original duties were imposed on 19 November 2005 on China, Indonesia, Taiwan, Thailand and Vietnam. These duties were reviewed in 2010 with the Commission only choosing to extend antidumping measures on China and Taiwan for a period of five years⁷⁰³. Another investigation was launched concerning Malaysia, Thailand and Philippines on 13 June 2012⁷⁰⁴, leading to this current decision.

On 17 April 2013 the European Commission established standard import values for determining the entry price of certain fruit and vegetable imports⁷⁰⁵. Following the detailed rules established on 7 June 2011 of the Council Regulation of the fruit and vegetable and processed fruit and vegetable sectors⁷⁰⁶. Standard import values will act as an imposed tariff if the goods imported fall below the standard import value.

On April 18 2013 the trigger levels for additional duties on cucumbers, cherries, other than sour, apricots, tomatoes, plums, peaches, including nectarines and table grapes was amended. Trigger levels for additional duties on cucumbers, cherries, other than sour will take effect on 1 May 2013,

⁶⁹⁹ Council Implementing Regulation (EU) No 1153/2012, Official Journal of the European Union (Brussels). 3 December 2012. Date of Access: 22 June 2013.

http://trade.ec.europa.eu/doclib/docs/2012/december/tradoc_150138.def.en.L334-2012.pdf

⁷⁰⁰ Council Regulation (EU) No 1220/2012, Official Journal of the European Union (Brussels). 3 December 2012. Date of Access: 22 June 2012. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:349:0004:0008:EN:PDF>

⁷⁰¹ Council Regulation (EU) No 1220/2012, Official Journal of the European Union (Brussels). 3 December 2012. Date of Access: 22 June 2012 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:349:0004:0008:EN:PDF>

⁷⁰² Council Implementing Regulation (EU) No 205/2013, Official Journal of the European Union (Brussels). 7 March 2013. Date of Access: 22 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:068:0001:0008:EN:PDF>

⁷⁰³ Council Implementing Regulation (EU) No 2/2012, Official Journal of the European Union (Brussels). 4 January 2012. Date of Access: 22 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:005:0001:0015:EN:PDF>

⁷⁰⁴ Commission Regulation (EU) No 502/2012, Official Journal of the European Union (Brussels). 13 June 2012. Date of Access 22 June 2013. http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc_149547.init-circum.en.L153-2012.pdf

⁷⁰⁵ Commission Implementing Regulation (EU) No 351/2013, Official Journal of the European Union (Brussels). 17 April 2013. Date of Access: 22 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:108:0013:0014:EN:PDF>

⁷⁰⁶ Commission Implementing Regulation (EU) No 543/2011, Official Journal of the European Union (Brussels). 7 June 2011. Date of Access: 22 June 2012 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:157:0001:0163:EN:PDF>

while additional duties on apricots, tomatoes, plums, peaches, nectarines and table grapes will take effect from 1 June 2013.⁷⁰⁷

On 27 April 2013 the European Commission announced the initiation of an anti-subsidy investigation on solar glass originating in the People's Republic of China, following a complaint lodged on 11 June 2009 from countries not members of the European Commission stating the subsidised imports are causing material injury to the Union industry.⁷⁰⁸

On 3 May 2013, the European Commission announced the imposition of a provisional countervailing duty on imports of certain stainless steel wires originating in India. The initial complaint was lodged on 28 June 2012 by the European Confederation of Iron and Steel Industries and the anti-subsidy investigation was initiated on 10 August 2012 by the European Commission.⁷⁰⁹

On 22 May 2013 the European Commission decided to terminate the anti-subsidy investigation on imports of bicycles originating in China without any imposition of duties following the withdrawal of the initial complaint⁷¹⁰. The initial complaint was put forth by the European Bicycles Manufacturers Association on 15 March 2012, with the investigation launched on 27 April 2012.⁷¹¹

On 29 May 2013 the European Commission decided to extend the antidumping duties on certain tungsten electrodes imported from China. The initial antidumping duties were imposed on 13 March 2007, with a review investigation initiated on 9 March 2012 on the specified duties.⁷¹²

On 4 June 2013 the European Commission amended the current legal framework on the exemption from antidumping duties on imports of certain bicycle parts originating in China. The amendment imposes stricter criteria for the exemption of antidumping duties on bicycle parts. The initial duties were imposed on 9 November 1993 definitively on imports of bicycles originating in China. On 18 January 2007 the duties were extended to imports of bicycle parts originating in China.⁷¹³

⁷⁰⁷Commission Implementing Regulation (EU) No 353/2013, Official Journal of the European Union (Brussels). 18 April 2013. Date of Access: 22 June 2012 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:109:0001:0003:EN:PDF>

⁷⁰⁸Procedures relating to the Implementation of the Common Commercial Policy, Official Journal of the European Union (Brussels). 4 April 2013. Date of Access: 22 June 2013 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:122:0024:0033:EN:PDF>

⁷⁰⁹Commission Regulation (EU) No 419/2013, Official Journal of the European Union (Brussels). 3 May 2013. Date of access: 22 June 2012 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:126:0019:0042:EN:PDF>

⁷¹⁰Commission Decision, Official Journal of the European Union (Brussels). 22 May 2013. Date of Access: 22 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:136:0015:0016:EN:PDF>

⁷¹¹Procedures Relating to the Implementation of the Common Commercial Policy, Official Journal of the European Union (Brussels). Date of Access: 22 June 2013 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2012:122:0009:0018:EN:PDF>

⁷¹²Council Implementing Regulation (EU) No 508/2013, Official Journal of the European Union (Brussels). 29 May 2013. Date of Access: 22 June 2012 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:150:0001:0012:EN:PDF>

⁷¹³Commission Regulation (EU) No 512/2013, Official Journal of the European Union (Brussels). 4 June 2013. Date of Access: 22 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:152:0001:0004:EN:PDF>

On 26 June 2012 the European Commission repealed its ant-dumping measures on Croatia due to results from an investigation initiated on 29 March 2011.⁷¹⁴

Analysts: Elizabeth Stratton and Michelle Galluzzo

Japan: 0

Japan received a cumulative score of 0 for partial compliance with the trade commitment. Japan partially complied with its standstill commitment. The second sub-commitment was not applicable to Japan.

(1) Japan partially complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

The Japanese Ministry of Agriculture, Forestry and Fisheries announced a ban on all imports of beef from Brazil on 8 December 2012. The Ministry cited a possible case of bovine spongiform encephalopathy (BSE) in a Brazilian cow in 2010. The World Organization for Animal Health did not however confirm the disease. Brazil maintained its classification as a country with negligible BSE risk, which is superior to Japan's safety classification as a country with controlled BSE risk. The Japanese ban of Brazilian beef imports is not supported by internationally recognized health concerns.⁷¹⁵

On 29 June 2012 the Government of Japan initiated an antidumping investigation on uncoated cut sheet paper imported from Indonesia.⁷¹⁶

On 5 March 2013, the Innovation Network Corporation of Japan announced state aid of around US\$31.23 million to the Nikko Textile Corporation in a bid to foster future growth potential.⁷¹⁷

Japan received a score of 0 for sub-commitment one. Japan imposed one protectionist policy during the compliance cycle, which is less than the G20 median. The state aide measures on 5 March 2013 will be given through the Innovation Network Corporation of Japan (INCJ), which is a public-private partnership between the Japanese government and domestic corporations. Given that the INCJ has continued to fund 35 projects in addition to the Nikko Textile Corporation, such forms of aid can be seen as unfair support for domestic Japanese firms.

(2) Japan did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to Japan.

Thus, Japan received a score of 0 for the second sub-commitment.

⁷¹⁴ Council Implementing Regulation (EU) No. 585/2012, Official Journal of the European Union (Brussels) 26 June 2012. Date of Access: 3 January 2013.

http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149665.def.and.term.en.L174-2012.pdf

⁷¹⁵ Japan: Ban on imports of beef from Brazil, Global Trade Alert (London) 11 December 2012. Date of Access: 15 January 2013. <http://www.globaltradealert.org/measure/japan-ban-imports-beef-brazil>.

⁷¹⁶ Initiation of an Anti-Dumping Investigation on Cut Sheet Paper Originating in the Republic of Indonesia, (Tokyo) 29 June 2012.

http://www.meti.go.jp/english/press/2012/0629_03.html

⁷¹⁷ Innovation Corporation Network of Japan (Tokyo) 5 March 2013. Date Accessed: 15 June 2013. <http://www.incj.co.jp/PDF/1362458993.en.pdf>

Japan is awarded a cumulative score of 0 for partial compliance with the trade commitment.

Sub-commitment one: Japan total = +1

Date imposed	Measures implemented
8 Dec. 2012	Import ban on beef from Brazil

Analysts: Aleksandar Djeric and Elizabeth Stratton

Korea: +1

Korea was awarded a score of +1 for complying with the trade commitment. Korea refrained from raising or imposing new protectionist measures under sub-commitment one. The second sub-commitment to roll back existing protectionist measures was not applicable to Korea.

(1) No information was found to indicate that Korea imposed new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports since the Los Cabos Summit.

Korea received a score of +1 for complying with sub-commitment one.

(2) Korea did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to Korea.

On 9 November 2011, Korea announced that it would initiate an antidumping investigation on imports of plywood originating in China.⁷¹⁸ No information was found to indicate that the affected trading partner reported the anti-dumping investigation to the WTO Dispute Settlement Body. Since the launch of the investigation did not lead to the implementation of an anti-dumping duty and was also not reported to the WTO Dispute Settlement Body, it is not counted as a new protectionist measure under sub-commitment two.

Thus, Korea received a score of +1 for the second sub-commitment.

Korea is awarded a cumulative score of +1 for full compliance with the trade commitment.

Analyst: Buse Kayar

Mexico: +1

Mexico earned a score of +1 for complying with the trade commitment. Mexico refrained from raising or imposing new protectionist measures under sub-commitment one. The second sub-commitment to roll back existing protectionist measures was not applicable to Mexico.

(1) Mexico complied with its commitment to refrain from imposing or raising new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports since the Los Cabos Summit.

On 11 September 2012, the Government of Mexico imposed antidumping duties on monobutyl ethers of ethylene glycol from the United States. The duties range from 14.81 per cent to 36.64

⁷¹⁸ World Trade Organization. Dispute Settlement Body. Semi-annual report under article 16.4 of the agreement - Republic of Korea 4 February 2013. Date of Access: 28 June 2013.

https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-1.aspx?language=E&CatalogueIdList=114660&CurrentCatalogueIdIndex=0&FullTextSearch=.

per cent. The anti-dumping investigation began on 29 October 2010 at the request of Polioles S.A. de C.V.⁷¹⁹

On 10 August 2012, the Government of Mexico levied antidumping duties on coaxial cable and other coaxial electric conductors from China. The anti-dumping duties range from 88 per cent to 345.91 per cent. The duties were determined by an investigation which was initiated on 8 June 2011 at the request of Conductores Monterrey S.A. de C.V.⁷²⁰

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁷²¹ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

On 21 June 2013 Mexico set duties on seamless steel tubes from China. This followed formal complaints by Mexican steel producer TAMSA, given pricing differences with Chinese competitors.⁷²² The tariff is set at \$1,252 per tonne and will not exceed 56 per cent of the customs duty price after tax.

Mexico received a score of +1 for complying with sub-commitment one.

(2) Mexico did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore the second subcommitment is not applicable to Mexico.

Thus Mexico received a score of +1 for the second sub-commitment.

Mexico is awarded a cumulative score of +1 for complying fully with the trade commitment.

Sub-commitment two: Mexico total = 1

Date imposed	Measures implemented	Rolled back or amended since Los Cabos	Date of roll back or amendment
May 15 2013	Temporary tariff elimination	No	-

Analyst: Aleksandar Djerić

⁷¹⁹ Mexico: Definitive antidumping duties on monobutyl ethers of ethylene glycol or of diethylene glycol, Global Trade Alert (London) 11 September 2012. Date of Access: 3 January 2013.

<http://www.globaltradealert.org/measure/mexico-definitive-antidumping-duties-monobutyl-ethers-ethylene-glycol-or-diethylene-glycol>.

⁷²⁰ Mexico: Adoption of antidumping duties on coaxial cable and other coaxial electric conductors from China, Global Trade Alert (London) 10 August 2012. Date of Access: 3 January 2013.

<http://www.globaltradealert.org/measure/mexico-adoption-antidumping-duties-coaxial-cable-and-other-coaxial-electric-conductors-china>.

⁷²¹ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

⁷²² RPT-Mexico sets anti-dumping duties on China seamless steel pipes, 21 June 2013. Date Accessed: 20 June 2013. <http://www.reuters.com/article/2013/06/21/china-mexico-trade-idUSL3N0EX1X020130621>.

Russia: -1

Russia has failed to comply with its commitment on trade.

Sub-commitment one: Russia total = 19

During the monitoring period Russia has introduced at least 19 protectionist measures.

On 5 July 2012, the Commission of the Customs Union of Russia, Belarus and Kazakhstan introduced a temporary quota (from 1 July 2012 to 31 December 2012) on the imports of ozone-depleting substances.⁷²³

On 6 July 2012, the Eurasian Economic Commission initiated a safeguard investigation against imports of harvesters and modules.⁷²⁴ The investigation led to an introduction of special duty in the amount of 27.5 per cent of the customs value of the harvesters and their components imported into the territory of Customs Union of Russia, Belarus and Kazakhstan.⁷²⁵

On 26 July 2012, the Eurasian Economic Commission imposed an import ban on a number of seal products.⁷²⁶

In August 2012, Russia introduced subsidies for the medium and small enterprises including domestic agricultural producers, amounting to USD 633.7 million.⁷²⁷

On 11 September 2012, Russian President signed an executive order on measures protecting Russian legal entities' foreign economic activities.⁷²⁸ This document aims to protect so-called strategic companies of the Russian Federation operating abroad, which according to Global Trade Alert is discriminative against foreign commercial interests.⁷²⁹

⁷²³ Decision №99 On the introduction of the quantitative restrictions on imports of ozone-depleting substances in the Russian Federation, Eurasian Economic Commission 5 July 2012. Date of Access: 25 March 2013. http://www.tsouz.ru/eeek/RSEEEK/RKEEEK/17z/Pages/R_99.aspx.

⁷²⁴ The Customs Union of Russia, Belarus and Kazakhstan: Preliminary safeguard duty on imports of harvesters and modules, Global Trade Alert 31 August 2012. Date of Access: 21 March 2013. <http://www.globaltradealert.org/measure/customs-union-russia-belarus-and-kazakhstan-preliminary-safeguard-duty-imports-harvesters-an>.

⁷²⁵ On the application of a safeguard measure by introducing a preliminary special duty on grain combines and harvesters modules imported into the common customs territory of the Customs Union, Eurasian Economic Commission 31 December 2012. Date of Access: 21 March 2013. http://tsouz.ru/eeek/RSEEEK/RKEEEK/38z/Pages/R_289.aspx.

⁷²⁶ Decision № 120 On the amendments to Section 1.8 of the Single List of goods subject to prohibitions or restrictions on the importation or exportation by the states - members of the Customs Union within the Eurasian Economic Community in trade with third countries, Eurasian Economic Commission 26 July 2012. Date of Access: 25 March 2013. http://www.tsouz.ru/eeek/RSEEEK/RKEEEK/20z/Pages/R_120.aspx.

⁷²⁷ Government Decree from 2 August 2012 NO.1410-p On distribution of subsidies provided in 2012 from the federal budget of the Russian Federation for the state support of small and medium-sized businesses, including farms, Government of Russia 3 August 2012. Date of Access: 21 March 2013. <http://www.government.ru/gov/results/19917/>.

⁷²⁸ Executive order on measures protecting Russian interests in Russian legal entities' foreign economic activities, President of Russia 11 September 2012. Date of Access: 25 March 2013. <http://eng.kremlin.ru/news/4401>.

⁷²⁹ <http://www.globaltradealert.org/measure/russian-federation-increased-government-control-over-strategic-companies>.

On 30 August 2012, Russia introduced a disposal fee for imported new and second hand wheel vehicles, amounting to approximately USD650 for imported cars, and to USD4876 for imported trucks. The measure entered into force on 1 September 2012.⁷³⁰

On 2 October 2012, the Customs Union of Russia, Belarus and Kazakhstan introduced an import duty of USD0.45 per kg of activated carbon.⁷³¹

On 8 October 2012, the Russian Federation provided state guarantees of USD210.5 million to United Shipbuilding Corporation and “Rubin” Central Design Bureau for Marine Engineering.⁷³²

On 26 September 2012, the Russian Government introduced a new subsidy scheme for the purchase of buses, trams and trolleybuses, produced in the countries of the Single Economic Space.⁷³³

On 22 October 2012, Russia introduced a federal subsidy to domestic leasing companies for partial reimbursement of interest rate payments of loans taken from the Russian credit institutions or the State Corporation “Bank for Development and Foreign Economic Affairs (Vnesheconombank)” for the purchase of aircraft and flight simulators in 2008-2012.⁷³⁴

On 25 December 2012, the Collegium of the Customs Union of Russia, Belarus and Kazakhstan increased from 0 to 10 per cent the import duty on data processing machines with customs value of up to USD3,000.⁷³⁵

On 16 January 2013, the Russian Government introduced a subsidy to enterprises operating in the timber industry to compensate for part of the interest payments on investment loans obtained in 2012-2013 for the purpose of modernization of their wood processing capacity.⁷³⁶

On 25 December 2012, a preliminary anti-dumping duty of 51.87 per cent on the cast-iron enamelled bathtubs imported from China was introduced.⁷³⁷ The preliminary duty will be applied

⁷³⁰ Government Decree № 870 On recycling tax on vehicles, Government of Russia 30 August 2012. Date of Access: 25 March 2013. <http://www.government.ru/gov/results/20492/>.

⁷³¹ Decision № 173 Measures to protect the economic interests of producers of activated carbons in the Customs Union, Eurasian Economic Commission 2 October 2012. Date of Access: 25 March 2013. http://www.tsouz.ru/eeek/RSEEEK/RKEEEK/26z/Pages/R_173.aspx.

⁷³² Government Decree № 1876-p of 8 October 2012 On provision of state guarantees for loans taken by organizations of the military-industrial complex for the purpose fulfillment of the state defence order in 2012, Government of Russia 8 October 2012. Date of Access: 25 March 2013. <http://www.government.ru/gov/results/21096/>.

⁷³³ Decree № 981 of 26 September 2012 On the Rules of provision and distribution of subsidies from the federal budget of the Russian Federation for the purchase of buses running on gas fuel, trams and trolleybuses produced in the states of the Single Economic Space in 2012, Government of Russia 2 October 2012. Date of Access: 25 March 2013. <http://www.government.ru/gov/results/20950/>.

⁷³⁴ Decree № 1073, Government of Russia 22 October 2012. Date of Access: 25 March 2013. <http://www.government.ru/gov/results/21242/>.

⁷³⁵ Decision № 303 of 25 December 2012 On Amending the Single Commodity Nomenclature of Foreign Economic Activity of the Customs Union and the Common Customs Tariff of the Customs Union in respect of certain types of computing machines, and several decisions of the Commission of the Customs Union and the Board of Eurasian Economic Commission, Eurasian Economic Commission 25 December 2012. Date of Access: 26 March 2013. http://tsouz.ru/eeek/RSEEEK/RKEEEK/38z/Pages/R_303.aspx.

⁷³⁶ Decree № 2 of 16 January 2013 Rules for granting subsidies to organizations timber industry to compensate for part of the interest on loans, Government of Russia 18 January 2013. Date of Access: 26 March 2013. <http://www.government.ru/gov/results/22421/>.

from 26 January 2013 to 26 May 2013. The duty was introduced as a result of anti-dumping investigation initiated on 15 June 2012.⁷³⁸

On 18 February 2013, the Russian Government introduced state support measure for exports of local industrial goods. Domestic exporters of industrial goods with 30 per cent Russian content, which are part of contractual obligations with foreign partners, will be supported by a state guarantee.⁷³⁹

On 5 March 2013, the Customs Union of Russia, Belarus and Kazakhstan increased the import tariffs on certain types of equipment for television reception.⁷⁴⁰

On 5 March 2013 the Customs Union of Russia, Belarus and Kazakhstan banned the exports of wood, paper and cardboard goods from Kazakhstan.⁷⁴¹

On 6 March 2013, the Eurasian Economic Commission of the Customs Union of Russia, Belarus and Kazakhstan increased the import duties on butter, dairy spreads, other fats and oils derived from milk, curd and certain types of cheese by up to 10 per cent.^{742,743}

On 15 May 2013, the Eurasian Economic Commission of the Customs Union of Russia, Belarus and Kazakhstan introduced 20 per cent import duty on certain storage products for contact lenses.⁷⁴⁴

⁷³⁷ Proceedings of the anti-dumping investigation in respect to enameled cast-iron bathtubs, originating from the People's Republic of China, Eurasian Economic Commission 25 December 2012. Date of Access: 26 March 2013. http://tsouz.ru/db/spec_measures/Pages/investigation_bathtubs.aspx.

⁷³⁸ The Customs Union of Russia, Belarus and Kazakhstan: Preliminary AD duties on cast-iron enamelled bathtubs imported from China, Global trade Alert 5 February 2013. Date of Access: 26 March 2013. <http://www.globaltradealert.org/measure/customs-union-russia-belarus-and-kazakhstan-preliminary-ad-duties-cast-iron-enamelled-bathtu>.

⁷³⁹ Amendments to the Rules of granting state guarantees in foreign currency as public support to industrial exports, Government of Russia 22 February 2013. Date of Access: 25 March 2013. <http://government.ru/gov/results/22939/>.

⁷⁴⁰ On establishing the import duties of The Common Customs Tariff of the Customs Union on certain types of equipment for television reception, Eurasian Economic Commission 5 March 2013. Date of Access: 26 March 2013. http://tsouz.ru/eeek/RSEEEK/RKEEEK/2013/6z/Pages/R_32.aspx.

⁷⁴¹ Amendments to Section 1.5 of the Single List of goods subject to prohibitions or restrictions on the importation or exportation by the states - members of the Customs Union within the Eurasian Economic Community in trade with third countries, Eurasian Economic Commission 5 March 2013. Date of Access: 26 March 2013. http://tsouz.ru/eeek/RSEEEK/RKEEEK/2013/6z/Pages/R_33.aspx.

⁷⁴² On establishment of import duty rates of the Common Customs Tariff of the Customs Union on butter, dairy spreads, other fats and oils derived from milk, curd and certain types of cheese, Eurasian Economic Commission 5 February 2013. Date of Access: 26 March 2013. http://tsouz.ru/eeek/RSEEEK/RKEEEK/2013/4z/Pages/R_13.aspx.

⁷⁴³ The Customs Union of Russia, Belarus and Kazakhstan: Tariff increases on some sorts of cheese, Global trade Alert 17 February 2013. Date of Access: 26 March 2013. <http://www.globaltradealert.org/measure/customs-union-russia-belarus-and-kazakhstan-tariff-increases-some-sorts-cheese>.

⁷⁴⁴ The Customs Union of Russia, Belarus and Kazakhstan: New import tariff on certain storage products for contact lenses, Global trade Alert 21 May 2013. Date of Access: 26 June 2013. <http://www.globaltradealert.org/measure/customs-union-russia-belarus-and-kazakhstan-new-import-tariff-certain-storage-products-conta>.

On 15 May 2013, the Eurasian Economic Commission of the Customs Union of Russia, Belarus and Kazakhstan introduced 15 per cent import duty on certain cables.⁷⁴⁵

The tariff measure enters into force on 14 June 2013.

At least 19 protectionist measures have been introduced by Russia during the monitoring period. Thus it gets a score of -1 for sub-commitment one.

Sub-commitment two: Russia total = 1

The WTO report on the G20 Trade Related Measures identifies that during the monitoring period Russia has rolled back 1 protectionist measure.

On 30 August 2012, Russia, Belarus and Kazakhstan eliminated the import tariffs on certain aircraft components, aircraft controls, and air conditioning.⁷⁴⁶ However, neither the WTO report, nor the Global trade Alert database contains information regarding the inception date of the measure, which was subject to roll back. Thus, this cannot be counted as a compliance with the sub-commitment two.

No additional information on protectionist measures that have been rolled back by Russia during the monitoring period has been found. Thus, Russia gets a score of -1 for sub-commitment two.

Analyst: Andrei Sakharov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to not raise or impose new barriers to investment or trade in goods and services, new export restrictions or WTP inconsistent measures to stimulate measures.

(1) September 2012 the Asharqia Chamber announced the “resettlement strategy”⁷⁴⁷ which is the nationalization of services related to the industrial sector and to make use of the advantages offered by strategic sectors, notably petroleum and gas.⁷⁴⁸

On 3 October 2012, Tawfiq Al-Rabiah the Minister of Commerce and Industry announced a ban on the export of chicken.⁷⁴⁹ The measure aims at keeping the local supply sufficient and keeping the prices steady. A statement from the Saudi Press Agency stated an increase of 30 to 40 per cent in the price of fodder as driving up local and imported poultry.⁷⁵⁰

⁷⁴⁵ The Customs Union of Russia, Belarus and Kazakhstan: New import tariff on certain cables, Global trade Alert 21 May 2013. Date of Access: 26 June 2013. <http://www.globaltradealert.org/measure/customs-union-russia-belarus-and-kazakhstan-new-import-tariff-certain-cables>.

⁷⁴⁶ WTO Report on G-20 Trade Measures, WTO 31 October 2012. Date of Access: 25 March 2013. http://www.wto.org/english/news_e/news12_e/g20_wto_report_oct12_e.doc

⁷⁴⁷ Saudi Arabia: Nationalisation of services, Global Trade Alert (London). 26 September 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-nationalisation-services>

⁷⁴⁸ Saudi Arabia: One Million Jobs Bonanza, Eurasia Review. 2 September 2012. Date of Access: 3 January 2013. http://www.eurasiareview.com/02092012-saudi-arabia-one-million-jobs-bonanza/#.UO9M72_7K0c

⁷⁴⁹ Saudi Arabia: Ban on poultry export, Global Trade Alert (London). 15 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-ban-poultry-export>

⁷⁵⁰ Commerce Ministry bans export of chicken, Saudi Gazette. 4 October 2012. Date of Access: 3 January 2013. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20121004138454>

On 7 October 2012 a bill has been passed by The Shoura Council stipulating the “Saudization” of all operation and maintenance works in the public utilities sector.⁷⁵¹ This bill is intended to raise the share of Saudi citizens in the labour force over foreign labour.⁷⁵²

On 14 October 2012 a new project has been implemented titled “Worker Lending Project”⁷⁵³ which will amend the previous visa sponsorships for foreign workers. Under the new project a sponsor will be able to lend a worker under his sponsorship to another sponsor temporarily.⁷⁵⁴ The new system will improve the quality of work among expatriate workers and hinder the illegal trade of work visas.⁷⁵⁵

On 17 October 2012 Saudi Arabia has simplified the arbitration rules to speed up processes of foreign investments.⁷⁵⁶ During a speech at the Council of Saudi Chamber⁷⁵⁷ Khalid Abdulaziz Alnowaiser stated that the regulations will cover both domestic and international laws in the case of settlements, in hopes of enhancing foreign investment.⁷⁵⁸

Starting on 15 November 2012 the Saudi Labour Ministry announced that all private sector firms that employ more foreign workers than Saudis will be subject to a fine of USD \$640 per year for every extra employee.⁷⁵⁹ Domestic servants, foreigners with Saudi mothers and citizens of other Gulf Cooperation Council members are exempt from this rule.⁷⁶⁰

⁷⁵¹ Shoura OKs bill on Saudization of maintenance jobs, Arab News. 8 October 2012. Date of Access: 3 January 2013. <http://www.arabnews.com/saudi-arabia/shoura-oks-bill-saudization-maintenance-jobs>

⁷⁵² Saudi Arabia: The Nitaqat Program for a “Saudization” of the labour force, Global Trade Alert. 21 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-nitaqat-program-saudization-labor-force>

⁷⁵³ Sponsors will be allowed to lend workers to others, Arab News. 14 October 2012. Date of Access: 3 January 2013. <http://www.arabnews.com/sponsors-will-be-allowed-lend-workers-others>

⁷⁵⁴ Saudi Arabia: Simplification of visa application procedure, Global Trade Alert. 1 November 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-simplification-visa-application-procedure>

⁷⁵⁵ Sponsors will be allowed to lend workers to others, Arab News. 14 October 2012. Date of Access: 3 January 2013. <http://www.arabnews.com/sponsors-will-be-allowed-lend-workers-others>

⁷⁵⁶ Saudi Arabia: Simplified and faster arbitration settlements, Global Trade Alert. 24 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-simplified-and-faster-arbitration-settlements>

⁷⁵⁷ Saudi Arabia: Simplified and faster arbitration settlements, Global Trade Alert. 24 October 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-simplified-and-faster-arbitration-settlements>

⁷⁵⁸ New rules of arbitration to boost foreign investment, Saudi Gazette. 20 October 2012. Date of access: 3 January 2013.

<http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20121020140310>

⁷⁵⁹ Saudi Arabia to Fine Firms With Too Many Foreign Workers, The New York Times (New York) 21 November 2012. Date of Access: 3 January 2013

<http://www.nytimes.com/2012/11/22/world/middleeast/saudi-arabia-to-fine-firms-with-too-many-foreign-workers.html>

⁷⁶⁰ Saudi Arabia to Fine Firms With Too Many Foreign Workers, The New York Times (New York) 21 November 2012. Date of Access: 3 January 2013

<http://www.nytimes.com/2012/11/22/world/middleeast/saudi-arabia-to-fine-firms-with-too-many-foreign-workers.html>

On 22 January 2013⁷⁶¹ The Capital Markets Authority in Saudi Arabia announced that it was changing its listing regulations.⁷⁶² Foreign companies can now apply for their securities to be registered and admitted on the Saudi exchange.⁷⁶³ Listings will be approved if the Authority deems the foreign jurisdictions rules of listing on par with those existing in Saudi Arabia.⁷⁶⁴

(2) Effective 1 October 2012 the ban on Filipino maids has been lifted due to an agreement between the Kingdom of Saudi Arabia and Philippines.⁷⁶⁵ The ban was initiated in July 2011 on Filipino and Indonesian maids.⁷⁶⁶

Sub-commitment one: Saudi Arabia total = 2

Date imposed	Measures implemented
3 Oct. 2012	Export ban on poultry
1 Sept. 2012	Nationalization strategy for industrial sector

Analysts: Michelle Galluzo and Elizabeth Stratton

South Africa: -1

South Africa has failed to comply with its commitments to refrain from: imposing new barriers to investment or trade in goods and services; imposing new export restrictions; and from implementing WTO inconsistent measures to stimulate exports.

On 5 April 2012 the antidumping duties imposed on United States frozen chicken cut in pieces with bone was extended for another five years following a sunset investigation at the end of 2011. The National Chicken Council of the United States is actively urging Ron Kirk, Trade Representative to challenge the antidumping duties through the World Trade Organization.

On 22 June 2012 according to a Government Gazette a plan has been released to amend the Private Security Industry Regulation Act, 2001. The amendment will provide additional powers to the minister and require that 51 per cent of each firm is domestically owned.

On 27 July 2012 South Africa has extended the antidumping measures on float glass (3mm to 6mm thickness) imported or originating from Indonesia . This decision is following a sunset review launched on 23 September 2011 to hold up the initial antidumping measure imposed on 7 August 2006.

⁷⁶¹ Saudi Arabia: Eased listing rules for foreign issuers, Global trade Alert (London) 9 January 2013. Date of Access: 22 January 2013. <http://globaltradealert.org/measure/saudi-arabia-eased-listing-rules-foreign-issuers>

⁷⁶² Saudia Arabia changed listing rules for foreign companies, The Telegraph UK (London) 25 January 2013. Date of Access: 25 January 2013. <http://www.telegraph.co.uk/finance/personalfinance/expat-money/9037913/Saudia-Arabia-changes-listing-rules-for-foreign-companies.html>

⁷⁶³ Listing Rules, Capital Market Authority, Kingdom of Saudia Arabia. Date of Access: 23 January 2013. <http://www.cma.org.sa/En/Documents/Listing%20rules.pdf>

⁷⁶⁴ Listing Rules, Capital Market Authority, Kingdom of Saudia Arabia. Date of Access: 23 January 2013. <http://www.cma.org.sa/En/Documents/Listing%20rules.pdf>

⁷⁶⁵ Saudi lifts ban vs. hiring of Filipino maids, ABS CBN news. 26 September 2012. Date of Access: 3 January 2013. <http://www.abs-cbnnews.com/global-filipino/09/26/12/saudi-lifts-ban-vs-hiring-filipino-maids>

⁷⁶⁶ Saudi Arabia: Ban on maids from Indonesia and the Philippines, Global Trade Alert. 17 September 2012. Date of Access: 3 January 2013. <http://globaltradealert.org/measure/saudi-arabia-ban-maids-indonesia-and-philippines>

On 27 July 2012 the South African Revenue Service removed the import duty on AC electricity generators not exceeding 375kVA. The previous duty was 5% ad valorem duty on those not exceeding 25kVA ad 10% ad valorem for those not exceeding 375kVA.

On 3 August 2012, the South African Revenue Service has decreased the customs duty on hydraulic brake fluid (not containing petroleum oils or oils obtained from bituminous minerals) to zero. The application was put forth by South African Brake Fluid & Coolants who stated current rate of customs had cost raising implications.

On 12 September 2012 the South African Revenue Service increased the general rate of customs duty on outdoor television antennas from free duty to 20% ad valorem. The increase was made after Ellies Holdings Ltd applied for to maintain a competitive competition in the face of foreign competition.

On 23 September 2012 Dr. Rob Davies, South Africa's Minister of Trade announced on an official visit to Geneva that all "first generation" Bilateral Investment Treaties (signed after democratic transition in 1994) will be terminated at their time of expiry or renegotiated on the terms of a new Model Bilateral Investment Treaty . The reason being that the relationship between Bilateral Investment Treaties and Foreign Direct Investment is ambiguous and that BIT's pose risks and restrictions on the government to pursue a constitutionally based transformation agenda.

On 3 October 2012 South African Airways has been granted a USD600 million guarantee from the Government of South Africa. The guarantee will cover a period of two years beginning on 1 September 2012 to relieve the financial difficulties faced by the Airline.

On 12 October 2012 the general rate of duty on alkyd resins was increased from 0 to 15% as recommended by the International Trade Administration Commission of South Africa.

On 3 December 2012 Minister of Trade Dr. Rob Davies will launch the Kuvusa maize mill as part of the Industrial Policy Action Plan Small-scale Maize Milling Initiative. This initiative will contribute to improving food security and reducing the cost of maize-meal by at least 20%. Maize meal produced at the Kuvusa Mill is to be marketed at prices below market rates.

On 23 November 2012 the International Trade Administration Commission of South Africa presented the increase in the rate of customs duty on uncooked pasta, not stuffed or otherwise prepared. The duty has increased from 30 per cent to 40 per cent ad valorem for non-European union/ European Free Trade Association countries.

On 01 November 2012 the International trade Administration Commission of South Africa concluded an increase of duty on textile fabric interlayered or otherwise combined with bentonite clay from free to a 25 per cent as valorem. The duty should serve to eliminate the price disadvantage against emerging South and East Asian producers.

On 01 November 2012 the International Trade Administration Commission of South Africa increased the general rate of customs duty on conical steel drums from free to a bound rate of 15 per cent ad valorem. The increase is due to an application from Peninsula Drums CC to compete with foreign industry and improve the development of the industry.

On 9 November 2012 the general rate of customs duty on set top boxes with a value for duty purposes not exceeding R5 000 from free to 15 per cent ad valorem. The duty is to encourage a favourable environment for set top box manufacturers in South Africa to feed demand in domestic and foreign markets to stimulate the electronic sector.

On 29 January 2013 The Department of Trade and Industry announced further designation of valves, manual and pneumatic actuators, electrical and telecommunication cables and components of solar water heaters for local production and content in the public sector procurement system. The Preferential Procurement Policy Framework Act came into effect 7 December 2011 and empowers the Minister of Trade to designate industries, sectors and subsectors for local procurement.

On 22 February 2013 the South African Revenue Service informed of an increase on molluscs from free to 25 per cent ad valorem. This is an amendment to a 2003 decision to bring the rate of duty down to free on molluscs.

On 22 February 2013 the South African Revenue Service published an increase of customs duty from 15 per cent ad valorem to 3 per cent ad valorem on vehicle windscreens. The application came from numerous South African manufacturers who claimed they were at a price disadvantage, notable against East Asian manufacturers. The duty is hoped to significantly improve the competitive position of the domestic industry.

An investigation has been launched on 21 June 2013 regarding the alleged dumping of frozen potato chips originating or imported from Belgium and Netherlands. The application was lodged by McCain Foods (SA) and supported by Nature's Choice Products Ltd, Lamberts Bay Foods Ltd and Potatoes South Africa.

(2) On 21 June 2012 Brazil requested consultations with South Africa in regard to anti-dumping duties imposed on frozen meat of fowls of the species *Gallus Domesticus*, whole bird and boneless cut originating in Brazil. Following Brazil's dispute initiation with the World Trade Organization South Africa decided not to impose definitive antidumping duties on the discussed imported products.

Sub-commitment one: South Africa total = 3

Date imposed	Measures implemented
6 Dec. 2012	State funded maize mill and plan to sell maize at less than market value
3 Oct. 2012	Government guarantee to South Africa Airways
22 June 2012	Restrictions on foreign investment in amended Private Security Industry Regulation Act

Analysts: Michelle Galluzzo and Elizabeth Stratton

Turkey: 0

Turkey received a cumulative score of 0 for partial compliance with the trade commitment. Turkey failed to comply with its commitment to refrain from imposing new protectionist policies. The second sub-commitment was not applicable.

(1) Turkey did not comply with sub-commitment one to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

On 31 December 2012, Turkey imposed tariffs equal to 10 per cent on certain flat steel products including fat strip and flat rods containing less than 0.25 per cent carbon and plates of width not

exceeding 500mm. The tariff on flat rolled sheet products of alloy steel of width of 600mm or more was increased to 6 per cent from 3 per cent.⁷⁶⁷

On 30 October 2012, Turkey raised tariffs on imports of livestock and meat. This regulation increased the tariffs on cows weighing more than 400 kilograms and lambs younger than 12 months to 40 per cent from 30 per cent. The tax on imported meat was raised to 100 per cent from 70 per cent. In accordance with the EU-Turkey Customs Union Agreement, the tariffs do not apply to products from EU member states.⁷⁶⁸

On 8 July 2012, Turkey increased import tariffs on live bovine animals to 30 per cent from 15 per cent and increased tariffs on live sheep to 30 per cent from 20 per cent.⁷⁶⁹

Turkey imposed definitive antidumping duties on imports of vulcanized rubber thread and cord originating in Thailand on 27 November 2012. These duties were imposed following an anti-dumping investigation which was initiated in late 2011.⁷⁷⁰ No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁷⁷¹ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

Turkey received a score of -1 for sub-commitment one. Turkey imposed seven protectionist measures during the compliance cycle, exceeding the G20 median.

(2) Turkey did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to Turkey.

Thus, Turkey received a score of +1 for the second sub-commitment.

Turkey is awarded a cumulative score of 0 for partial compliance with the trade commitment.

Sub-commitment one: Turkey total = 7

Date imposed	Measures implemented
31 Dec. 2012	Introduced tariffs on certain flat steel products
31 Dec. 2012	Increased tariff on flat rolled sheet products of alloy steel of certain width
30 Oct. 2012	Increased tariff on cows weighing more than 400kg
30 Oct. 2012	Increased tariff on lambs younger than 12 months
30 Oct. 2012	Increased tax on imported meat

⁷⁶⁷ Turkey: import duties on certain flat steel products changed, Global Trade Alert (London) 10 January 2013. Date of Access: 15 January 2013. <http://www.globaltradealert.org/measure/turkey-import-duties-certain-flat-steel-products-changed>.

⁷⁶⁸ Ankara raises tariffs for livestock, meat imports, Sunday's Zaman (Istanbul) 20 October 2012. Date of Access: 6 January 2013. http://www.todayszaman.com/newsDetail_getNewsById.action?newsId=296599.

⁷⁶⁹ Eighth report on G20 trade and investment measures, OECD, WTO and UNCTAD (Geneva) 31 October 2012. Date of Access: 15 January 2013. <http://www.oecd.org/daf/internationalinvestment/8thG20report.pdf>.

⁷⁷⁰ İthalatta haksız rekabetin önlenmesine ilişkin tebliğ, Ekonomi Bakanlığı (Ankara) 27 November 2012. Date of Access: 2 January 2013. http://www.ekonomi.gov.tr/upload/8920C175-C834-95C2-3A17840F5788E635/2012_23.pdf.

⁷⁷¹ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

8 July 2012	Increased tariff on live bovine animals
8 July 2012	Increased tariff on live sheep

Analysts: Elizabeth Stratton and Isa Topbas

United Kingdom: +1

The European Union earned a cumulative score of +1 for fully complying with sub-commitment one. The second sub-commitment was not applicable.

(1) The United Kingdom complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

Since the Los Cabos Summit, the European Commission imposed anti-dumping duties in several cases and imposed registration requirements in several other instances.

On 4 June 2013, the European Commission imposed a provisional anti-dumping duty on imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) originating in or consigned from the People's Republic of China, under Implementing Regulation (EU) No 513/2013. Duties Range from 11.8 to 67.9 per cent.

On 29 May 2013, under Implementing Regulation (EU) No 501/2013, the European Commission extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 990/2011 on imports of bicycles originating in the People's Republic of China and imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka and Tunisia.

On 29 May 2013, under Implementing Regulation (EU) No 508/2013, the European Commission imposed a definitive anti-dumping duty on imports of certain tungsten electrodes originating in the People's Republic of China. Duties range from 17.0 to 63.5 per cent.

On 27 May 2013, the European Commission imposed a provisional anti-dumping duty on imports of biodiesel originating in Argentina and Indonesia, under Implementing Regulation (EU) No 490/2013. Duties range from 2.8 to 10.6 per cent.

21 May 2013, under Implementing Regulation (EU) No 461/2013, the European Commission imposed a definitive countervailing duty on imports of certain polyethylene terephthalate (PET) originating in India. Duties range from 22.0 to 106.5 Euros per tonne.

On 13 May 2013, the European Commission imposed a definitive anti-dumping duty on imports of ceramic tableware and kitchenware originating in the People's Republic of China, under Implementing Regulation (EU) No 412/2013. Duties range from 13.1 to 36.1 per cent.

On 10 April 2013, the European commission made imports of biodiesel originating in Argentina and Indonesia subject to registration, under Implementing Regulation (EU) No 330/2013.

On 3 April 2013, under Implementing Regulation (EU) No 311/2013, the European Commission extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 467/2010 on imports of silicon originating in the People's Republic of China and imports of silicon consigned from Taiwan.

On 18 March 2013, under Implementing Regulation (EU) No 260/2013, the European Commission extended the definitive anti-dumping duty imposed by Regulation (EC) No 1458/2007 on imports of gas-fuelled, non-refillable pocket flint lighters from the People's Republic of China and imports of gas-fuelled, non-refillable pocket flint lighters consigned from the Socialist Republic of Vietnam.

On 11 March 2013, the European Commission imposed a definitive anti-dumping duty on imports of certain aluminium foils in rolls originating in the People's Republic of China, under Implementing regulation (EU) No 217/2013. Duties range from 14.2 to 35.6 per cent.

On 11 March 2013, the European Commission imposed a countervailing duty on imports of certain organic coated steel products originating in the People's Republic of China, under Implementing regulation (EU) No 215/2013. Duties range from 13.7 to 44.7 per cent.

On 11 March 2013, the European Commission imposed a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China, under Implementing regulation (EU) No 214/2013. Duties range from 5.9 to 26.1 per cent.

On 7 March 2013, under Implementing Regulation (EU) No 205/2013, the European Commission extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 2/2012 on imports of stainless steel fasteners and from the People's Republic of China and the Philippines.

On 1 March 2013, the European Commission made imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) originating in or consigned from the People's Republic of China subject to registration, under Implementing Regulation (EU) No 182/2013.

On 18 February 2013, the European Commission reimposed a definitive anti-dumping duty on imports of certain prepared or preserved citrus fruits originating in the People's Republic of China, under Implementing Regulation (EU) No 158/2013. Duties will range from 361.4 to 531.2 Euros per tonne.

On 18 February 2013, the European Commission imposed a definitive anti-dumping duty of 9.5 per cent on imports of bioethanol originating in the United States America, under Implementing Regulation (EU) No 157/2013.

On 28 January 2013, the European Commission made imports of biodiesel originating in Argentina and Indonesia subject to registration, under Implementing Regulation (EU) No 79/2013.

On 17 January 2013, the European Commission imposed a definitive anti-dumping duty ranging on imports of certain tube and pipe fittings of iron or steel originating in Russia and Turkey, under Implementing Regulation (EU) No 78/2013. Duties on Turkish firms range from 2.9 per cent to 16.7 per cent. Duties on all Russian firms are 23.8 per cent.

On 10 January 2013, under Implementing Regulation (EU) No 21/2013 the European Commission imposed definitive anti-dumping duty, first imposed under Implementing Regulation (EU) No 791/2011, on imports of certain open mesh fabrics of glass fibres originating in the People's Republic of China and imports of certain open mesh fabrics of glass fibres consigned from Taiwan and Thailand.

On 21 December 2012, the European Commission raised the definitive anti-dumping duty on imports of certain seamless steel pipes of iron or steel from Russia to 28.7 per cent. Anti-dumping duties were previously applied to imports from The TMK Group at a rate of 27.2 per cent.

The European Commission imposed a provisional anti-dumping duty on imports of threaded tube or pipe cast fittings of malleable cast iron from China and Thailand on 14 November 2012. The rate for China ranges from 32.7 to 67.8 per cent and the rate for Thailand ranges from 15.9 to 39.7 per cent. These duties apply for a period of six months. On 14 November 2012, the European Commission imposed a provisional anti-dumping duty on imports of ceramic tableware

and kitchenware from China. The duties range from 17.6 to 58.8 per cent and will apply for six months.

On 29 October 2012, the European Commission imposed a definitive anti-dumping duty on imports of aluminium radiators from China. The duties range from 12.6 to 61.4 per cent. The European Commission levied a provisional anti-dumping duty on imports of certain organic coated steel products from China on 18 September 2012. The duties range from 13.2 to 57.8 per cent and will apply for a period of six months.

The European Commission imposed a provisional anti-dumping duty on imports of certain aluminium foils in rolls from China on 17 September 2012. The duties range from 13 to 35.4 per cent and will apply for six months. The European Commission levied a provisional anti-dumping duty on imports of certain tube and pipe fittings of iron or steel from Russia and Turkey on 30 July 2012. The duty rate on Russia is 23.8 per cent. The duties range from 2.9 to 16.7 per cent for Turkey.

On 16 July 2012, the European Commission expanded the definitive anti-dumping duty imposed on imports of certain open mesh fabrics of glass fibres from China to include imports of certain open mesh fabrics of glass fibres consigned from Malaysia. A duty rate of 62.9 per cent will apply to these goods consigned from Malaysia. On 26 June 2012, the European Commission increased anti-dumping duties on imports of tartaric acid from China, which now range from 8.3 per cent to 34.9 per cent.

The European Commission issued a requirement for the registration of all imports of certain prepared or preserved citrus fruits from China on 28 June 2012.

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules. Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

The European Union received a score of +1 for complying with sub-commitment one to refrain from imposing or raising new protectionist measures.

(2) The European Union did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to the European Union.

Thus, the United Kingdom received a score of +1 for the second sub-commitment.

The United Kingdom is awarded a cumulative score of +1 for full compliance with the trade commitment.

Analyst: Chris D'Souza

United States: +1

The United States earned an overall score of +1. The United States complied with its commitment to refrain from imposing new protectionist measures. The second rollback commitment was not applicable.

(1) The United States complied with sub-commitment one to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

On 3 September 2012, Argentina filed a dispute settlement case against Australia. against the United States regarding a series of measures allegedly imposed for the past 11 years, which Argentina argues constitute an import ban on citrus fruits affecting lemons from the Northwest region of the country. Until a decision has been made by the WTO, the measures against the imports of lemons into the US cannot be labelled as a WTO-inconsistent measure.⁷⁷²

Since the Los Cabos Summit, the Government of the United States intervened to protect domestic investment and goods in three cases.

On 16 May 2013, the Governor of Maryland signed into law a “Buy American” bill that will take effect on 1 October 2013. The “Purchase of American Manufactured Goods” bill states that, unless the conditions for certain exemptions are met, a public body in the State shall require a contractor or subcontractor to use or supply American manufactured goods in the performance of a contract to: “(1) build or maintain a public work; or (2) buy or manufacture machinery or equipment to be installed at a public work site.”⁷⁷³

On 28 September 2012, President Obama blocked the sale of four wind farm project companies to Sany Group, a Chinese company. The barrier to investment was justified for national security reasons as the wind farm sites are “within or in the vicinity of restricted air space at Naval Weapons Systems Training Facility Boardman in Oregon.”⁷⁷⁴ This measure is not considered protectionist because it is based on a pre-existing national security restriction.

The United States Olympic Committee (USOC) announced a strict “Buy American” policy for all future uniforms to be worn by athletes during the parade ceremonies at the Olympic, Paralympic and Pan-American Games on 23 July 2012. This agreement was brokered by Senator Robert Menendez following the introduction of legislation by 12 Senators to require American made uniforms in future parades. USOC also committed to consult Congress before making any change to the new “Buy American” policy.⁷⁷⁵ This measure is not considered protectionist because the ban on buying uniforms produced outside of the United States is not a direct action of the government.

The United States imposed anti-dumping duties in seven instances and changed the methodology for calculating dumping margins for certain countries since the Los Cabos Summit.

On 4 June 2013, the US Department of Commerce announced in a final determination that xanthan gums from Austria and China were being, or were likely to be sold at less value, and imposed anti-dumping duties on the imports. The anti-dumping duties are equal to 17.18 per cent

⁷⁷² Dispute Settlement: Dispute DS448. World Trade Organisation (Geneva), 3 September 2012. Date of access: 29 June 2013. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds448_e.htm

⁷⁷³ “Purchase of American Manufactured goods” bill. State of Maryland, General Assembly (Annapolis), 16 May 2013. Date of Access: 29 June 2013 http://mgaleg.maryland.gov/2013RS/fnotes/bil_0001/hb0191.pdf

⁷⁷⁴ Order Signed by the President regarding the Acquisition of Four US Wind Farm Project Companies by Ralls Corporation, The White House (Washington) 28 September 2012. Date of Access: 15 January 2013. <http://www.whitehouse.gov/the-press-office/2012/09/28/order-signed-president-regarding-acquisition-four-us-wind-farm-project-c>.

⁷⁷⁵ Menendez, USOC Announce “Made in America” is Now Permanent USOC Policy, Office of Senator Robert Menendez (Newark) 23 July 2012. Date of Access: 15 January 2013. <http://www.menendez.senate.gov/newsroom/press/menendez-usoc-announce-made-in-america-is-now-permanent-usoc-policy>.

for Austria and range from 21.69⁷⁷⁶ per cent to 154.07 per cent for China⁷⁷⁷. But on 20 June 2013, the US International States Trade Commission determined that US industry was threatened with material injury by reason of imports of xanthan gum only from China, not from Austria.⁷⁷⁸

The U.S. Department of Commerce levied anti-dumping duties against wind towers imported from China and Vietnam on 26 December 2012. The anti-dumping duties range from 44.99 per cent to 70.63 per cent for China and 51.5 per cent to 58.49 per cent for Vietnam.⁷⁷⁹ The United States levied anti-dumping duties on large residential washers from Korea and Mexico on 26 December 2012. The duties range from 9.29 per cent to 82.41 per cent for Korea and 36.52 per cent to 72.41 per cent for Mexico.⁷⁸⁰

On 22 October 2012, the U.S. Department of Commerce imposed anti-dumping and countervailing duties on circular welded carbon-quality steel pipe originating from India, Oman, the United Arab Emirates and Vietnam. The duties range from 48.43 per cent and 285.95 per cent for India, 5.81 per cent and 4.13 per cent for Oman, 3.85 per cent to 11.71 per cent, 2.06 per cent to 6.17 per cent for United Arab Emirates and 3.96 per cent to 27.96 per cent for Vietnam.⁷⁸¹

The U.S. Department of Commerce imposed an anti-dumping duty of 157 per cent on steel wire garment hangers from Vietnam on 18 December 2012.⁷⁸² On 17 October 2012, the U.S. Department of Commerce levied anti-dumping duties on crystalline silicon photovoltaic cells, whether or not assembled into modules, from China. The duties range from 18.32 per cent to 249.96 per cent.⁷⁸³ On 4 October 2012, the U.S. Department of Commerce imposed anti-dumping

⁷⁷⁶ Xanthan Gum From Austria: Final Determination of Sales at Less Than Fair Value, US Department of Commerce (Washington), 4 June 2013. Date of Access: 29 June 2013. <http://ia.ita.doc.gov/frn/2013/1306frn/2013-13218.txt>

⁷⁷⁷ Xanthan Gum From the People's Republic of China: Final Determination of Sales at Less Than Fair Value US Department of Commerce (Washington), 4 June 2013. Date of Access: 29 June 2013. <http://ia.ita.doc.gov/frn/2013/1306frn/2013-13220.txt>

⁷⁷⁸ Xanthan Gum from China, but not Austria, Threatens US industry, says USTIC. News Release 13-057. US International Trade Commission 20 June 2013. Date of Access: 29 June 2013 http://www.usitc.gov/press_room/news_release/2013/er0620112.htm

⁷⁷⁹ Utility Scale Wind Towers from the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value, US Department of Commerce (Washington) 26 December 2012. Date of Access: 4 January 2012. <http://ia.ita.doc.gov/frn/2012/1212frn/2012-30944.txt>.

⁷⁸⁰ Notice of Final Determination of Sales at Less Than Fair Value: Large Residential Washers from Mexico, US Department of Commerce (Washington) 26 December 2012. Date of Access: 4 January 2012. <http://ia.ita.doc.gov/frn/2012/1212frn/2012-31077.txt>.

⁷⁸¹ Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam: Final Determination of Sales at Less than Fair Value, US Department of Commerce (Washington) 22 October 2012. Date of Access: 4 January 2012. <http://ia.ita.doc.gov/frn/2012/1210frn/2012-25952.txt>.

⁷⁸² Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, US Department of Commerce (Washington) 26 December 2012. Date of Access: 4 January 2012. <http://ia.ita.doc.gov/frn/2012/1212frn/2012-30951.txt>.

⁷⁸³ Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Affirmative Final Determination of Critical Circumstances, in Part, US Department of Commerce (Washington) 17 October 2012. Date of Access: 4 January 2012. <http://ia.ita.doc.gov/frn/2012/1210frn/2012-25580.txt>.

duties on drawn stainless steel sinks imported from China. The total anti-dumping duties range from 59.06 per cent to 76.53 per cent.⁷⁸⁴

On 19 June 2012, the International Trade Administration, a bureau within the U.S. Department of Commerce, announced a change to the methodology used to determine export prices in anti-dumping proceedings for exports from certain non-market economies.⁷⁸⁵ The change will likely increase the calculations of dumping margins on goods exported from China and Vietnam.⁷⁸⁶

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁷⁸⁷

On 3 September 2012, Argentina opened a dispute case against the United States concerning a series of measures allegedly maintained for the past 11 years, which Argentina argues constitute an import prohibition on citrus fruits affecting lemons originating from the Northwest region of the country. Until a decision has been made by the WTO, the measures against the imports of lemons into the US cannot be labelled as a WTO-inconsistent measure.⁷⁸⁸

Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

The United States received a score of +1 for complying with sub-commitment one to refrain from imposing new protectionist measures.

(2) The United States did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to the United States.

Thus, the United States received a score of +1 for the second sub-commitment.

The United States is awarded a cumulative score of +1 for full compliance with the trade commitment.

Analyst: Mickael Deprez

European Union: +1

The European Union earned a cumulative score of +1 for fully complying with sub-commitment one. The second sub-commitment was not applicable.

⁷⁸⁴ Drawn Stainless Steel Sinks from the People's Republic of China: Antidumping Duty Investigation, US Department of Commerce (Washington) 4 October 2012. Date of Access: 4 January 2012. <http://ia.ita.doc.gov/frn/2012/1210frn/2012-24549.txt>.

⁷⁸⁵ Federal Register Volume 77, Number 118, (Tuesday, June 19, 2012), United States Government Printing Office 19 June 2012. Date of Access: 4 January 2012. <http://www.gpo.gov/fdsys/pkg/FR-2012-06-19/html/2012-14964.htm>.

⁷⁸⁶ United States of America: Changed methodology in antidumping investigations of non-market economics, Global Trade Alert 25 June 2012. Date of Access: 2 January 2012. <http://globaltradealert.org/measure/united-states-america-changed-methodology-antidumping-investigations-non-market-economies>.

⁷⁸⁷ Disputes by Country/Territory, World Trade Organisation, (Geneva) 2012. Date of Access: 29 June 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

⁷⁸⁸ Dispute Settlement: Dispute DS448. World Trade Organisation (Geneva), 3 September 2012. Date of access: 29 June 2013. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds448_e.htm

(1) The European Union complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions or WTO-inconsistent measures to stimulate exports.

Since the Los Cabos Summit, the European Commission imposed anti-dumping duties in several cases and imposed registration requirements in several other instances.

On 4 June 2013, the European Commission imposed a provisional anti-dumping duty on imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) originating in or consigned from the People's Republic of China, under Implementing Regulation (EU) No 513/2013. Duties Range from 11.8 to 67.9 per cent.⁷⁸⁹

On 29 May 2013, under Implementing Regulation (EU) No 501/2013, the European Commission extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 990/2011 on imports of bicycles originating in the People's Republic of China and imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka and Tunisia.⁷⁹⁰

On 29 May 2013, under Implementing Regulation (EU) No 508/2013, the European Commission imposed a definitive anti-dumping duty on imports of certain tungsten electrodes originating in the People's Republic of China. Duties range from 17.0 to 63.5 per cent.⁷⁹¹

On 27 May 2013, the European Commission imposed a provisional anti-dumping duty on imports of biodiesel originating in Argentina and Indonesia, under Implementing Regulation (EU) No 490/2013. Duties range from 2.8 to 10.6 per cent.⁷⁹²

21 May 2013, under Implementing Regulation (EU) No 461/2013, the European Commission imposed a definitive countervailing duty on imports of certain polyethylene terephthalate (PET) originating in India. Duties range from 22.0 to 106.5 Euros per tonne.⁷⁹³

On 13 May 2013, the European Commission imposed a definitive anti-dumping duty on imports of ceramic tableware and kitchenware originating in the People's Republic of China, under Implementing Regulation (EU) No 412/2013. Duties range from 13.1 to 36.1 per cent.⁷⁹⁴

⁷⁸⁹ Council Implementing Regulation (EU) No 516/2013. Official Journal of the European Union (Brussels) 4 June 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:152:0005:0047:EN:PDF>

⁷⁹⁰ Council Implementing Regulation (EU) No 501/2013. Official Journal of the European Union (Brussels) 29 May 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:153:0001:0016:EN:PDF>

⁷⁹¹ Council Implementing Regulation (EU) No 508/2013. Official Journal of the European Union (Brussels) 29 May 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:150:0001:0012:EN:PDF>

⁷⁹² Council Implementing Regulation (EU) No 490/2013. Official Journal of the European Union (Brussels) 27 May 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:141:0006:0025:EN:PDF>

⁷⁹³ Council Implementing Regulation (EU) No 461/2013. Official Journal of the European Union (Brussels) 21 May 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:137:0001:0029:EN:PDF>

⁷⁹⁴ Council Implementing Regulation (EU) No 412/2013. Official Journal of the European Union (Brussels) 13 May 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:131:0001:0045:EN:PDF>

On 10 April 2013, the European commission made imports of biodiesel originating in Argentina and Indonesia subject to registration, under Implementing Regulation (EU) No 330/2013.⁷⁹⁵

On 3 April 2013, under Implementing Regulation (EU) No 311/2013, the European Commission extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 467/2010 on imports of silicon originating in the People's Republic of China and imports of silicon consigned from Taiwan.⁷⁹⁶

On 18 March 2013, under Implementing Regulation (EU) No 260/2013, the European Commission extended the definitive anti-dumping duty imposed by Regulation (EC) No 1458/2007 on imports of gas-fuelled, non-refillable pocket flint lighters from the People's Republic of China and imports of gas-fuelled, non-refillable pocket flint lighters consigned from the Socialist Republic of Vietnam.⁷⁹⁷

On 11 March 2013, the European Commission imposed a definitive anti-dumping duty on imports of certain aluminium foils in rolls originating in the People's Republic of China, under Implementing regulation (EU) No 217/2013. Duties range from 14.2 to 35.6 per cent.⁷⁹⁸

On 11 March 2013, the European Commission imposed a countervailing duty on imports of certain organic coated steel products originating in the People's Republic of China, under Implementing regulation (EU) No 215/2013. Duties range from 13.7 to 44.7 per cent.⁷⁹⁹

On 11 March 2013, the European Commission imposed a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China, under Implementing regulation (EU) No 214/2013. Duties range from 5.9 to 26.1 per cent.⁸⁰⁰

On 7 March 2013, under Implementing Regulation (EU) No 205/2013, the European Commission extended the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 2/2012 on imports of stainless steel fasteners and from the People's Republic of China and the Philippines.⁸⁰¹

⁷⁹⁵ Council Implementing Regulation (EU) No 330/2013. Official Journal of the European Union (Brussels) 10 April 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:102:0013:0015:EN:PDF>

⁷⁹⁶ Council Implementing Regulation (EU) No 311/2013. Official Journal of the European Union (Brussels) 3 April 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:095:0001:0007:EN:PDF>

⁷⁹⁷ Council Implementing Regulation (EU) No 260/2013. Official Journal of the European Union (Brussels) 18 March 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:082:0010:0017:EN:PDF>

⁷⁹⁸ Council Implementing Regulation (EU) No 217/2013. Official Journal of the European Union (Brussels) 11 March 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:069:0011:0020:EN:PDF>

⁷⁹⁹ Council Implementing Regulation (EU) No 215/2013. Official Journal of the European Union (Brussels) 11 March 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:073:0016:0097:EN:PDF>

⁸⁰⁰ Council Implementing Regulation (EU) No 214/2013. Official Journal of the European Union (Brussels) 11 March 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:073:0001:0015:EN:PDF>

⁸⁰¹ Council Implementing Regulation (EU) No 205/2013. Official Journal of the European Union (Brussels). 1 March 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:068:0001:0008:EN:PDF>

On 1 March 2013, the European Commission made imports of crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) originating in or consigned from the People's Republic of China subject to registration, under Implementing Regulation (EU) No 182/2013.⁸⁰²

On 18 February 2013, the European Commission reimposed a definitive anti-dumping duty on imports of certain prepared or preserved citrus fruits originating in the People's Republic of China, under Implementing Regulation (EU) No 158/2013. Duties will range from 361.4 to 531.2 Euros per tonne.⁸⁰³

On 18 February 2013, the European Commission imposed a definitive anti-dumping duty of 9.5 per cent on imports of bioethanol originating in the United States America, under Implementing Regulation (EU) No 157/2013.⁸⁰⁴

On 28 January 2013, the European Commission made imports of biodiesel originating in Argentina and Indonesia subject to registration, under Implementing Regulation (EU) No 79/2013.⁸⁰⁵

On 17 January 2013, the European Commission imposed a definitive anti-dumping duty ranging on imports of certain tube and pipe fittings of iron or steel originating in Russia and Turkey, under Implementing Regulation (EU) No 78/2013. Duties on Turkish firms range from 2.9 per cent to 16.7 per cent. Duties on all Russian firms are 23.8 per cent.⁸⁰⁶

On 10 January 2013, under Implementing Regulation (EU) No 21/2013 the European Commission imposed definitive anti-dumping duty, first imposed under Implementing Regulation (EU) No 791/2011, on imports of certain open mesh fabrics of glass fibres originating in the People's Republic of China and imports of certain open mesh fabrics of glass fibres consigned from Taiwan and Thailand.⁸⁰⁷

On 21 December 2012, the European Commission raised the definitive anti-dumping duty on imports of certain seamless steel pipes of iron or steel from Russia to 28.7 per cent. Anti-dumping duties were previously applied to imports from The TMK Group at a rate of 27.2 per cent.⁸⁰⁸

⁸⁰² Council Implementing Regulation (EU) No 182/2013. Official Journal of the European Union (Brussels) 1 March 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:061:0002:0005:EN:PDF>

⁸⁰³ Council Implementing Regulation (EU) No 158/2013. Official Journal of the European Union (Brussels) 18 February 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:049:0029:0046:EN:PDF>

⁸⁰⁴ Council Implementing Regulation (EU) No 157/2013. Official Journal of the European Union (Brussels) 18 February 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:049:0010:0028:EN:PDF>

⁸⁰⁵ Council Implementing Regulation (EU) No 79/2013. Official Journal of the European Union (Brussels) 28 January 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:027:0010:0012:EN:PDF>

⁸⁰⁶ Council Implementing Regulation (EU) No 78/2013. Official Journal of the European Union (Brussels) 17 January 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:027:0001:0009:EN:PDF>

⁸⁰⁷ Council Implementing Regulation (EU) No 21/2013. Official Journal of the European Union (Brussels) 10 January 2013. Date of Access: 27 June 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:011:0001:0007:EN:PDF>

⁸⁰⁸ Commission Regulation (EU) No 585/2012, Official Journal of the European Union

The European Commission imposed a provisional anti-dumping duty on imports of threaded tube or pipe cast fittings of malleable cast iron from China and Thailand on 14 November 2012. The rate for China ranges from 32.7 to 67.8 per cent and the rate for Thailand ranges from 15.9 to 39.7 per cent. These duties apply for a period of six months.⁸⁰⁹ On 14 November 2012, the European Commission imposed a provisional anti-dumping duty on imports of ceramic tableware and kitchenware from China. The duties range from 17.6 to 58.8 per cent and will apply for six months.⁸¹⁰

On 29 October 2012, the European Commission imposed a definitive anti-dumping duty on imports of aluminium radiators from China. The duties range from 12.6 to 61.4 per cent.⁸¹¹ The European Commission levied a provisional anti-dumping duty on imports of certain organic coated steel products from China on 18 September 2012. The duties range from 13.2 to 57.8 per cent and will apply for a period of six months.⁸¹²

The European Commission imposed a provisional anti-dumping duty on imports of certain aluminium foils in rolls from China on 17 September 2012. The duties range from 13 to 35.4 per cent and will apply for six months.⁸¹³ The European Commission levied a provisional anti-dumping duty on imports of certain tube and pipe fittings of iron or steel from Russia and Turkey on 30 July 2012. The duty rate on Russia is 23.8 per cent. The duties range from 2.9 to 16.7 per cent for Turkey.⁸¹⁴

On 16 July 2012, the European Commission expanded the definitive anti-dumping duty imposed on imports of certain open mesh fabrics of glass fibres from China to include imports of certain open mesh fabrics of glass fibres consigned from Malaysia. A duty rate of 62.9 per cent will apply to these goods consigned from Malaysia.⁸¹⁵ On 26 June 2012, the European Commission

(Brussels) 21 December 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:357:0001:0006:EN:PDF>.

⁸⁰⁹ Commission Regulation (EU) No 1071/2012, Official Journal of the European Union (Brussels) 14 November 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:318:0010:0027:EN:PDF>.

⁸¹⁰ Commission Regulation (EU) No 1072/2012, Official Journal of the European Union (Brussels) 14 November 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:318:0028:0065:EN:PDF>.

⁸¹¹ Commission Regulation (EU) No 1039/2012, Official Journal of the European Union (Brussels) 29 October 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:310:0001:0012:EN:PDF>.

⁸¹² Commission Regulation (EU) No 845/2012, Official Journal of the European Union (Brussels) 18 September 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:252:0033:0054:EN:PDF>.

⁸¹³ Commission Regulation (EU) No 833/2012, Official Journal of the European Union (Brussels) 17 September 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:251:0029:0046:EN:PDF>.

⁸¹⁴ Commission Regulation (EU) No 699/2012, Official Journal of the European Union (Brussels) 30 July 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁸¹⁵ Commission Regulation (EU) No 672/2012, Official Journal of the European Union (Brussels) 16 July 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

increased anti-dumping duties on imports of tartaric acid from China, which now range from 8.3 per cent to 34.9 per cent.⁸¹⁶

The European Commission issued a requirement for the registration of all imports of certain prepared or preserved citrus fruits from China on 28 June 2012.⁸¹⁷

No information was found to indicate that the affected exporting countries referred the anti-dumping duties to the WTO Dispute Settlement Body. Without a ruling by the Body, anti-dumping and countervailing measures cannot be considered a violation of WTO rules.⁸¹⁸ Therefore, these measures will not be counted as new protectionist measures under sub-commitment one.

The European Union received a score of +1 for complying with sub-commitment one to refrain from imposing or raising new protectionist measures.

(2) The European Union did not implement any new protectionist measures during the period between the Cannes and Los Cabos Summits. Therefore, the second subcommitment is not applicable to the European Union.

Thus, the European Union received a score of +1 for the second sub-commitment.

The European Union is awarded a cumulative score of +1 for full compliance with the trade commitment.

Analyst: Chris D'Souza

⁸¹⁶ Commission Regulation (EU) No 626/2012, Official Journal of the European Union (Brussels) 26 June 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:182:0001:0005:EN:PDF>.

⁸¹⁷ Commission Regulation (EU) No 572/2012, Official Journal of the European Union (Brussels) 28 June 2012. Date of Access: 5 January 2013. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:196:0001:0007:EN:PDF>.

⁸¹⁸ Disputes by Country/Territory, World Trade Organization, (Geneva) 2012. Date of Access: 29 December 2012. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

5. Crime and Corruption

Commitment [#98]

“We reiterate our commitment to the ratification and full implementation of the United Nations Convention against Corruption (UNCAC), and to more active engagement with the OECD working group on bribery on a voluntary basis.”

Los Cabos Summit Final Declaration

Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		0	
Brazil		0	
Canada		0	
China		0	
France		0	
Germany	-1		
India		0	
Indonesia		0	
Italy		0	
Japan	-1		
Korea		0	
Mexico		0	
Russia		0	
Saudi Arabia		0	
South Africa		0	
Turkey		0	
United Kingdom		0	
United States		0	
European Union		0	
Average		-0.10	

Background

The G20 member states have spoken on the challenge of corruption: “Corruption threatens the integrity of markets, undermines fair competition, destroys public trust, and undermines the rule of law. Corruption is a severe impediment to economic growth, and a significant challenge for developed, emerging and developing countries.”⁸¹⁹ In June 2010, at the Toronto Summit, the G20 member states agreed to the establishment of a Working Group that would make recommendations on how the G20 could contribute practically and substantially to international efforts to combat corruption.⁸²⁰

⁸¹⁹ G20 Anti-Corruption Plan, Annex III: G20 Agenda for Action on Combatting Corruption, Promoting Market Integrity, and Supporting a Clean Business Environment, Organization for Economic Co-operation and Development (Paris) 27-28 April, 2011. Date of Access: 9 December 2012. <http://www.oecd.org/daf/briberyininternationalbusiness/47286902.pdf>.

⁸²⁰ The G20 Toronto Summit Declaration, G20 Information Centre (Toronto) 27 June 2010. Date of Access: 6 December 2012.

In November 2010, at the Seoul Summit, the G20 leaders agreed to lead by example and create an effective global anti-corruption regime, by adopting a series of measures⁸²¹, including the first Anti-Corruption Action Plan (Annex III).⁸²² The objective was “to ensure that countries have in place an effective anti-corruption framework, including necessary laws and institutions; that countries implement the necessary measures to prevent corruption; and that when corruption occurs, appropriate steps are taken against the corrupt and the proceeds of their crimes.”⁸²³

The G20 leaders have also recognized the importance of building upon and complementing existing global and regional mechanisms⁸²⁴; such as the United Nations Convention against Corruption (UNCAC)⁸²⁵ and the Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the Anti-Bribery Convention)⁸²⁶.

The UNCAC, promoted and operationalized by the United Nations Office on Drugs and Crime (UNODC), forms the core of the Anti-Corruption Plan as it introduces a comprehensive set of standards, rules, and measures that states are offered to use in order to fight corruption through a framework for stronger cooperation between countries. A Mechanism to Review the Implementation of the UNCAC is also established in order to assist in identifying technical needs.⁸²⁷

The OECD Working Group on Bribery complements and supports the work of the UNCAC.⁸²⁸ The OECD Working Group on Bribery in International Business Transactions, established in 1994 is a three-phase peer-review monitoring system with the mandate to monitor the implementation and enforcement of the OECD Anti-Bribery Convention, which entered into

<http://www.g20.utoronto.ca/2010/to-communicate.html>.

⁸²¹ The Seoul Summit Document, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 6 December 2012.

<http://www.g20.utoronto.ca/2010/g20seoul-doc.html>.

⁸²² Annex III: G20 Anti-Corruption Action Plan, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 1 December 2012.

<http://www.g20.utoronto.ca/2010/g20seoul-anticorruption.html>.

⁸²³ 2012 Monitoring Report, G20 Information Centre (Toronto) June 2012. Date of Access: 1 December 2012. <http://g20mexico.org/images/stories/docs/canalsherpas/anticorrupt/02monitoringreport1.pdf>.

⁸²⁴ Annex III: G20 Anti-Corruption Action Plan, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 9 December 2012.

<http://www.g20.utoronto.ca/2010/g20seoul-anticorruption.html>.

⁸²⁵ Background of the United Nations Convention Against Corruption, United Nations Office on Drugs and Crime (Vienna) December 2012. Date of Access: 9 December 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/>.

⁸²⁶ OECD Anti-Bribery Convention: Entry into Force of the Convention (Paris) 15 February 1999. Date of Access: 1 December 2012.

<http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/oecdanti-briberyconventionentryintoforceoftheconvention.htm>.

⁸²⁷ Background of the United Nations Convention Against Corruption, United Nations Office on Drugs and Crime (Vienna) December 2012. Date of Access: 9 December 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/>.

⁸²⁸ Anti-Bribery Convention: OECD Working Group on Bribery in International Business Transactions (Paris) December 2012. Date of Access: 1 December 2012.

<http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/oecdworkinggrouponbriberyininternationalbusinesstransactions.htm>.

force on 15 February 1999, the Recommendation on Further Combating Bribery of Foreign Bribery in International Business Transactions (2009), and other related instruments.⁸²⁹

The OECD has established a series of instruments with the goal to eliminate the supply of bribes to public official. All (1) the 1999 Anti-Bribery Convention, (2) the 2009 Recommendation on Further Combating Bribery of Foreign Public Officials in International Business Transactions (the 2009 Anti-Bribery Recommendation)⁸³⁰, (3) the 2009 Recommendation on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions⁸³¹, and (4) the 2006 Recommendation on Bribery and Officially Supported Export Credit⁸³² are the Organization's core instruments.

The mandate of the OECD Working Group is to monitor the implementation and enforcement of these instruments. All signatory states of the Anti-Bribery Convention are committed to approving the Convention by taking all necessary legislative measures to ratify and implement it in national law.⁸³³

In November 2010, at the Seoul Summit, the G20 leaders assigned the G20 Working Group to prepare annual reports with regards to individual and collective progress of member states.⁸³⁴ The former has convened three times within 2012, in London, Puerto Vallarta, and Paris.⁸³⁵ OECD, UNODG, the World Economic Forum (WEF), the Financial Action Task Force (FATF)⁸³⁶, the World Bank, and the International Monetary Fund were present as observers at those meetings.

⁸²⁹ Anti-Bribery Convention: OECD Working Group on Bribery in International Business Transactions (Paris) December 2012. Date of Access: 1 December 2012.

<http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/oecdworkinggrouponbriberyininternationalbusinessstransactions.htm>.

⁸³⁰ OECD Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions (Paris) 9 December 2009. Date of Access: 26 November 2012.

<http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/44176910.pdf>.

⁸³¹ OECD 2009 Recommendation on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions (Paris) 25 May 2009. Date of Access: 7 December 2012.

<http://www.oecd.org/ctp/taxandcrime/43188874.pdf>.

⁸³² OECD Recommendation on Bribery and Officially Supported Export Credits adopted by the OECD Council on 14 December 2006, (Paris) 14 December 2006. Date of Access: 7 December 2012.

<http://www.oecd.org/tad/exportcredits/oecdrecommendationonbriberyandofficiallysupportedexportcreditsadoptedbytheoecdouncilon14december2006.htm>.

⁸³³ OECD Anti-Bribery Convention: Entry into Force of the Convention (Paris) 15 February 1999. Date of Access: 1 December 2012.

<http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/oecdanti-briberyconventionentryintoforceoftheconvention.htm>.

⁸³⁴ Annex III: G20 Anti-Corruption Action Plan, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 9 December 2012.

<http://www.g20.utoronto.ca/2010/g20seoul-anticorruption.html>.

⁸³⁵ G20 Anti-Corruption Working Group, G20 Information Centre (Toronto) 2012. Date of Access: 7 December 2012.

<http://g20mexico.org/index.php/en/working-groups>.

⁸³⁶ International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation - the FATF Recommendations (Paris) 16 February 2012. Date of Access: 3 December 2012.

<http://www.fatf-gafi.org/topics/fatfrecommendations/documents/internationalstandardscombatingmoneylaunderingandthefinancingofterrorismproliferation-thefatfrecommendations.html>.

In November 2011, at the Cannes Summit, the G20 Anti-Corruption Working Group released its first Monitoring Report. The Report focused on four areas in which further progress was needed: (1) the implementation of the international legislative framework; (2) national measures to prevent and combat corruption; (3) international cooperation; and (4) public-private partnerships.⁸³⁷

In June 2012, at the Los Cabos Summit, the G20 leaders endorsed the second Monitoring Report. The Report highlighted the progress that individual countries had made on the national level, as well as the collective progress that the Working Group and the G20 members achieved regarding the implementation of the Action Plan.⁸³⁸ It also signaled the need for further work.

Tables 5-1 and 5-2 detail signature/ratification statuses of both the UNCAC and the OECD Anti-Bribery Convention for the G20 members.

Table 5-1: UNCAC signature and ratification status as of 24 December 2012 for the G20 members⁸³⁹

Country	Date of signature	Date of ratification/approval (AA)
Argentina	10 December 2003	28 August 2006
Australia	9 December 2003	7 December 2005
Brazil	9 December 2003	15 June 2005
Canada	21 May 2004	2 October 2007
China	10 December 2003	13 January 2006
France	9 December 2003	11 July 2005
Germany	9 December 2003	N/A
India	9 December 2005	9 May 2011
Indonesia	18 December 2003	19 September 2006
Italy	9 December 2003	5 October 2009
Japan	9 December 2003	N/A
Korea	10 December 2003	27 March 2008
Mexico	9 December 2003	20 July 2004
Russia	9 December 2003	9 May 2006
Saudi Arabia	9 January 2004	N/A
South Africa	9 December 2003	22 November 2004
Turkey	10 December 2003	9 November 2006
United Kingdom	9 December 2003	9 February 2006
United States	9 December 2003	30 October 2006
European Union	15 September 2005	12 November 2008 (AA)

⁸³⁷ First Monitoring Report of the G20 Anti-Corruption Working Group to G20 Leaders, G20 Civil (Moscow) 3 November 2011. Date of Access: 9 December 2012. http://www.g20civil.com/documents/Final_G20_Anti-corruption_Working_Group_progress_Report.pdf.

⁸³⁸ 2012 Monitoring Report, G20 Information Centre (Toronto) June 2012. Date of Access: 1 December 2012. <http://g20mexico.org/images/stories/docs/canalsherpas/anticorrupt/02monitoringreport1.pdf>.

⁸³⁹ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 21 January 2013. <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

Table 5-2: Ratification status of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions as of 20 November 2012 for the G20 members⁸⁴⁰

Country	Deposit of instrument of ratification/acceptance/ approval	Entry into force of the Convention	Entry into force of implementing legislation
Argentina	8 February 2001	9 April 2001	10 November 1999
Australia	19 October 1999	18 December 1999	17 December 1999
Brazil	24 August 2000	23 October 2000	11 June 2002
Canada	17 December 1998	15 February 1999	14 February 1999
China	N/A	N/A	N/A
France	31 July 2000	29 September 2000	29 September 2000
Germany	10 November 1998	15 February 1999	15 February 1999
India	N/A	N/A	N/A
Indonesia	N/A	N/A	N/A
Italy	15 December 2000	13 February 2001	26 October 2000
Japan	13 October 1998	15 February 1999	15 February 1999
Korea	4 January 1999	15 February 1999	15 February 1999
Mexico	27 May 1999	26 July 1999	18 May 1999
Russia	17 February 2012	17 April 2012	16 May 2011
Saudi Arabia	N/A	N/A	N/A
South Africa	19 June 2007 (accession instrument)	18 August 2007	27 April 2004
Turkey	26 July 2000	24 September 2000	11 January 2003
United Kingdom	14 December 1998	15 February 1999	14 February 2002
United States	8 December 1998	15 February 1999	10 November 1998
European Union	N/A	N/A	N/A

Commitment Features

At the Los Cabos Summit, the G20 leaders reaffirmed their commitment to intensify the fight against corruption, to fully implement the provisions of the Seoul Plan⁸⁴¹ by announcing the Anti-Corruption Action Plan for 2013-2014⁸⁴², renewing the Mandate of the G20 Working Group until 2014, and requesting for a revised Action Plan by the end of 2012 in order to “close the implementation and enforcement gap.”⁸⁴³ To that end, the members of the Summit confirmed their support for specific policy recommendations:

- Ratification and full implementation of the UNCAC for countries that have not still done so;

⁸⁴⁰ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organisation for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 21 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

⁸⁴¹ G20 Anti-Corruption Action Plan, G20 Information Centre (Toronto) 12 November 2010. Date of Access: 1 December 2012. <http://www.g20.utoronto.ca/2010/g20seoul-anticorruption.html>.

⁸⁴² G20 Anti-Corruption Plan, G20 Information Centre (Toronto) 30 July 2012. Date of Access: 1 December 2012. <http://g20mexico.org/images/stories/docs/canalsherpas/anticorrupt/01actionplan1.pdf>.

⁸⁴³ Intensifying the Fight against Corruption, G20 Information Centre (Toronto) 19 June 2012. Date of Access: 1 December 2012. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

- For countries that are not yet parties to the Anti-Bribery Convention, a more active engagement with the OECD Working Group on a voluntary basis with the purpose of ratifying the Convention in the future through the enactment, proactive implementation, and enforcement of legislation criminalizing foreign bribery by the end of 2012, and actively participating in its plenary meetings, workshops, and seminars and jointly hosting conferences and seminars with the OECD;
- Enforcement of anti-corruption legislation with specific focus on the receivers and solicitors of bribes as well as those who pay them, in accordance with national legislation including the liability of legal persons;
- Endorsement of principles for denial of entry to G20 countries of corrupt officials and those who corrupt them;
- Endorsement of principles for financial and asset disclosure systems in order to prevent, identify and manage conflicts of interests;
- Commitment to deny safe haven to proceeds of corruption and to the recovery and restitution of stolen assets;
- Sustain efforts to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction; and
- Enhancement of international cooperation in relation to matters of corruption.⁸⁴⁴

The principal commitment of G20 members is the ratification and full implementation of the UNCAC as it sets the general framework for combating crime and corruption. Commitments three to seven are among the UNCAC provisions.⁸⁴⁵ Therefore, implementation of the convention is assessed upon adherence to the above mention provisions three through eight.

Scoring Guidelines

-1	Member does not ratify and fully implement the UNCAC AND does not more actively engage with the OECD Working Group on Bribery.
0	Member declares intent to ratify and fully implement the UNCAC AND more actively engages with the OECD Working Group; OR member is in the process of ratifying and fully implementing the UNCAC AND more actively engages with the OECD Working Group on Bribery.
+1	Member ratifies and fully implements the UNCAC AND more actively engages with the OECD Working Group on Bribery.

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⁸⁴⁴Intensifying the Fight against Corruption, G20 Information Centre (Toronto) June 2012. Date of Access: 1 December 2012.

<http://g20mexico.org/images/stories/docs/g20/fichastec/09.pdf>.

⁸⁴⁵United Nations Convention Against Corruption, United Nations Office on Drugs and Crime (Vienna) 14 December 2005. Date of Access: 1 December 2012.

http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf.

Argentina: 0

Argentina has partially complied with its commitment to combat corruption. Argentina is working towards the full implementation of the UNCAC: it has taken actions to promote anti-corruption regulation, renewed its anti-money laundering/terrorist financing legislation, and contributed to the strengthening of international cooperation in relation to matters of corruption.

Argentina has signed the United Nations Convention against Corruption (UNCAC) on 10 December 2003 and ratified it on 28 August 2006.⁸⁴⁶ Argentina has ratified the OECD Anti-Bribery Convention on 9 April 2001.⁸⁴⁷ It is also a member of the Financial Action Task Force (FATF)⁸⁴⁸ and the Financial Action Task Force on Money Laundering in South America (GAFISUD)⁸⁴⁹.

Argentina participated in the sessions of the UNCAC Implementation Review Group in Vienna on 18-22 June 2012⁸⁵⁰, 27-29 August 2012⁸⁵¹, 30-31 August 2012⁸⁵², 22-23 October 2012⁸⁵³, and 14-16 November 2012.⁸⁵⁴

On 25 July 2012, during a seminar entitled “Enhancing Capacity of the State to Continue Transforming Argentina,” Chief Cabinet Juan Manuel Abal Medina announced the introduction

⁸⁴⁶ UNCAC Signature and Ratification Status as of December 24, United Nations Office on Drugs and Crime (Vienna) 2012. Date of Access: 3 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

⁸⁴⁷ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organisation for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 21 January 2013.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

⁸⁴⁸ Argentina, Financial Action Task Force (Paris) 2012. Date of Access: 13 January 2013.

<http://www.fatf-gafi.org/countries/a-c/argentina/>.

⁸⁴⁹ Argentina, Financial Action Task Force (Paris) 2012. Date of Access: 13 January 2013

<http://www.fatf-gafi.org/countries/a-c/argentina/>.

⁸⁵⁰ Final List Of Participants, Conference of the States Parties to the United Nations Convention against Corruption, 22 June 2012, Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

⁸⁵¹ Final List Of Participants, Conference of the States Parties to the United Nations Convention against Corruption, 29 August 2012, Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Final_LOP.pdf.

⁸⁵² Final List Of Participants, Conference of the States Parties to the United Nations Convention against Corruption, 31 August 2012, Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/Final_LOP.pdf.

⁸⁵³ Final List Of Participants, Conference of the States Parties to the United Nations Convention against Corruption, 23 October 2012, Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/EMInternationalCooperation/22-23October2012/FINAL_List_of_Participants_EM_IntCoop_22-23_Oct_2012.pdf.

⁸⁵⁴ Final List Of Participants, Conference of the States Parties to the United Nations Convention against Corruption, 16 November 2012, Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/Final_List_of_Participants.pdf.

of new features to the public system, specifically “the formulation of anti-corruption guidelines and improved opportunities to access the inter-recruitment.”⁸⁵⁵

On 13 September 2012, Argentina became the first South American country to become a member of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, confirming its commitment to tax transparency and exchange of tax information.⁸⁵⁶ The Convention entered into force on 1 January 2013.

On 14 December 2012, Argentina had a Tax Information Exchange Agreements (TIEAs) the Isle of Man that positively influenced the financial transparency⁸⁵⁷

Since June 2012, the Argentine government has taken substantial steps towards improving its anti-money laundering (AML) and counter-terrorist financing (CFT) regime such as putting into effect the Presidential Decree on freezing terrorist-related assets.⁸⁵⁸ The FATF has also welcomed Argentina’s updated action plan for an effective implementation of money laundering offences.⁸⁵⁹ Yet, despite the improvements, the FATF maintains that strategic AML/CFT deficiencies still remain. The FATF recommends the Argentinean government continues to focus on: (1) criminalization of money laundering and confiscation to funds related to it; (2) further enhancement of financial transparency; (3) addressing remaining issues for the Financial Intelligence Unit; (4) further enhancement of the AML/CFT supervisory for all financial sectors; (5) further improvement and broadening of customer due diligence measures; and (6) further enhancement of international cooperation and effective implementation.

On 10 January 2013, Argentina was present at the regional conference of the Open Government Partnership⁸⁶⁰—an organization that Argentina intends to join soon⁸⁶¹. The conference’s

⁸⁵⁵ Nuevo régimen de compras del sector public, Argentina Government (Buenos Aires) 25 July 2012, Date of Access: 3 January 2013.

<http://www.argentina.gob.ar/noticias/1192-nuevo-rgimen-de-compras-del-sector-pblico.php>.

⁸⁵⁶ Argentina becomes the first South American country to become a Party to the Multilateral Convention, Organisation for Economic Co-operation and Development (Paris) 13 September 2012. Date of Access: 13 January 2013.

<http://www.oecd.org/countries/argentina/taxargentinabecomesthefirstsouthamericancountrytobecomeapartytothemultilateralconvention.htm>.

⁸⁵⁷ Argentina, OECD Exchange of Tax Information Portal (Paris) Date of Access: 13 January 2013.

<http://www.eoi-tax.org/jurisdictions/AR#agreements>.

⁸⁵⁸ Improving Global AML/CFT Compliance: On-Going Process, Financial Action Task Force (Paris) 19 October 2012. Date of Access: 13 January 2013.

<http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/improvingglobalamlcftcomplianceon-goingprocess-19october2012.html>.

⁸⁵⁹ Outcomes of the Plenary Meeting of the FATF, Financial Action Task Force (Paris) 17 October 2012. Date of Access: 13 January 2013.

<http://www.fatf-gafi.org/countries/a-c/argentina/documents/outcomesoftheplenarymeetingofthefatfparis17-19october2012.html>.

⁸⁶⁰ Chile Hosts Regional Open Government Partnership Meeting and Welcomes Argentina to OGP, Open Government Partnership (Washington) 10 January 2013. Date of Access: 14 February 2013.

<http://www.opengovpartnership.org/news/chile-hosts-regional-open-government-partnership-meeting-and-welcomes-argentina-ogp>.

participants reiterated their commitment to transparency and accountability.⁸⁶² Members also noted the emergence of new sectors, such as health, the environment, and the extractive industry, where transparency issues have recently become of increased importance.⁸⁶³

On 21 March 2013, the La Sindicatura General de la Nación (SIGEN) spoke positively of the effects that the adaptation of the Mechanism for Follow-up on the Implementation of the Inter-American Convention against Corruption (MECISIC) of the Organization of the American States (OAS) had on Argentina's ability to enforce its anti-corruption legislation and to strengthen relevant agencies and supervisory bodies.⁸⁶⁴

Argentina is in the process of implementing the UNCAC provisions. Argentina has taken concrete actions to address the issues of money laundering and the financing of terrorism, worked to strengthen international cooperation in relation to matters of corruption, and taken steps to move towards a stricter tax regulation. Thus, Argentina is awarded a score of 0.

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Lead Analyst: Eleni Tsaliki*

Australia: 0

Australia has partially complied with its commitment to combat corruption. Australia has ratified the United Nations Convention against Corruption (UNCAC) and has taken a series of steps towards the implementation of its provisions. Australia has also been actively involved with the Organisation for Economic Co-operation and Development (OECD) Working Group on Bribery's initiatives.

On 7 December 2005, Australia ratified the UNCAC.⁸⁶⁵ On 17 December 1999, Australia it became member of the OECD Anti-Bribery Convention.⁸⁶⁶ Australia is also a member of the

⁸⁶¹ Argentina becomes the 58th member to join the Open Government Partnership, Open Government Partnership (Santiago) 6 November 2012. Date of Access: 15 February 2013.
<http://www.opengovpartnership.org/news/argentina-becomes-58th-country-join-open-government-partnership>.

⁸⁶² Latin America Moves Forward in the Fight For Transparency, OpenGovBlog (Washington) 14 January 2013. Date of Access: 14 February 2013.
<http://blog.opengovpartnership.org/2013/01/latin-america-moves-forward-in-the-fight-for-transparency/>.

⁸⁶³ Latin America Moves Forward in the Fight For Transparency, OpenGovBlog (Washington) 14 January 2013. Date of Access: 14 February 2013.
<http://blog.opengovpartnership.org/2013/01/latin-america-moves-forward-in-the-fight-for-transparency/>.

⁸⁶⁴ El país fortalece sus organismos de control, Argentina Government Guide (Buenos Aires) 14 May 2013. Date of Access: 22 June 2013.
<http://www.argentina.gob.ar/noticias/1883-el-país-fortalece-sus-organismos-de-control.php>

⁸⁶⁵ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 3 January 2013.
<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

⁸⁶⁶ OECD Bribery in International Business, Australia - OECD Anti-Bribery Convention Organisation for Economic Cooperation and Development (Paris) 17 December 1999. Date of Access: 3 January 2013.
<http://www.oecd.org/daf/briberyininternationalbusiness/australia-oecdanti-briberyconvention.htm>.

Financial Action Task Force (FATF)⁸⁶⁷ and a member of the Asia/Pacific Group on Money Laundering (APG).⁸⁶⁸

In June 2012, Australia participated in the session of the UNCAC Implementation Review Group in Vienna.⁸⁶⁹ On 23-24 October 2012, Australia co-initiated the 11th Regional Seminar of the Asian Development Bank (ADB)/OECD Anti-Corruption Initiative for Asia and the Pacific and the Government Inspectorate of Vietnam on Tracing Illicit Flows, Asset Recovery, and Asset Disclosure.⁸⁷⁰

On 1 July 2012, the 2012 Commonwealth Procurement Rules (CPRs) came into effect. The CPR will guide departments and agencies in designing transparent and robust processes.⁸⁷¹ On 22 November 2012, the government released a Draft Tax Laws Amendment, introducing new transfer pricing rules with self-assessment and documentation requirements.⁸⁷² On 11 July 2012, the Attorney General's Department (AGD) had final public consultation discussing the formulation of Australia's first National Anti-Corruption Plan. The consultation was held with the participation of all stakeholders concerned.⁸⁷³

In October 2012, upon the completion and publication⁸⁷⁴ of the report on Australia's implementation of the Anti-Bribery Convention, the OECD expressed its "serious" concern with the lack of foreign bribery convictions in the country. The OECD described Australia's enforcement of its foreign bribery laws as "extremely low" and called for "vigorous pursuing" of

⁸⁶⁷ Australia, Countries Financial Action Task Force (Paris) Date of Access: 3 January 2013.

<http://www.fatf-gafi.org/countries/a-c/australia/>.

⁸⁶⁸ Australia, APG Members Asia/Pacific Group on Money Laundering (Bangkok) Date of Access: 11 January 2013.

<http://www.apgml.org/apg-members/default.aspx?JurisdictionID=1>.

⁸⁶⁹ Final List of Participants, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 3 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

⁸⁷⁰ ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, Asian Development Bank/ Organization for Economic Cooperation and Development (Hanoi) 23-24 October 2012. Date of Access: 11 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/11thRegSeminarPressRelease.pdf>.

⁸⁷¹ Corruption risks in public procurement, Association of Corporate Counsel (Victoria) 3 December 2012. Date of Access: 11 January 2013.

<http://www.lexology.com/library/detail.aspx?g=32dc693d-1cd1-41ed-9c5a-251609eeea6b>.

⁸⁷² Exposure Draft, Inserts for Tax Laws Amendment (Cross-Border Transfer Pricing) Bill 2013: Modernisation of transfer pricing rules International Tax Integrity Unit The Treasury, (Victoria) 22 November 2012. Date of Access: 11 January 2013.

http://www.treasury.gov.au/~media/Treasury/Consultations%20and%20Reviews/2012/Modernisation%20of%20transfer%20pricing%20rules/Key%20Documents/PDF/TPR_Exposure_Draft.ashx.

⁸⁷³ Update on Australia's National Anti-Corruption Plan and Final Public Consultation, Association of Corporate Counsel (Victoria) 12 July 2012. Date of Access: 5 January 2013.

<http://www.lexology.com/library/detail.aspx?g=6d26ebd3-8d37-489b-afde-1afd6cec0c87>.

⁸⁷⁴ Phase Three Report on Implementing the OECD Anti-Bribery Convention in Australia, Organisation for Economic Co-operation and Development (Paris) October 2012. Date of Access: 25 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/AustraliaPhase3en.PDF>.

foreign bribery allegations.⁸⁷⁵ Along with the deficiencies, the report also highlighted positive advances in Australia's anti-bribery legislation. Thus, the OECD Working Group has welcomed the development of the abovementioned National Anti-Corruption Plan.⁸⁷⁶

On 30 October 2012, Australian Councils further enhanced the existing anti-corruption framework following the recommendations of the Independent Commission against Corruption (ICAC).⁸⁷⁷ Some of the adopted measures included the creation of a new internal audit risk management committee with two independent members to limit potential corruption, code of conduct and e-procurement.⁸⁷⁸

On 13 November 2012, Australia's State Parliament introduced the Integrity and Accountability Bill⁸⁷⁹ and the Protected Disclosure Bill.⁸⁸⁰ The new legislation is meant to empower the Independent Broad-based Anti-corruption Commission (IBAC)⁸⁸¹ to make decisions on serious corruption issues as well as to investigate anyone in the private sector.⁸⁸² The legislation also adds new requirements regarding procedural fairness by providing oversight of the ombudsman by two parliamentary committees, the Accountability and Oversight Committee and making the process more transparent.⁸⁸³

On 22 November 2012, the Australian government tabled a draft of proposed amendments to reform Australia's transfer pricing rules. According to Assistant Treasurer, Minister Assisting for Deregulation David Bradbury, "these reforms will ensure that Australia's domestic laws are applied in a manner that is consistent with international best practice as set out by OECD

⁸⁷⁵ OECD seriously concerned by lack of foreign bribery convictions, but encouraged by recent efforts by the Australian Federal Police, Organisation for Economic Co-operation and Development (Paris) 25 October 2012. Date of Access: 25 January 2013.

<http://www.oecd.org/newsroom/oecdseriouslyconcernedbylackofforeignbriberyconvictionsbutencouragedbyrecenteffortsbytheaustralianfederalpolice.htm>.

⁸⁷⁶ National Anti-Corruption Plan, Australian Government Attorney's General Department (Barton) 11 July 2012. Date of Access: 25 January 2013.

<http://www.ag.gov.au/CrimeAndCorruption/AntiCorruption/Pages/NationalAntiCorruptionPlan.aspx>.

⁸⁷⁷ Independent Commission against Corruption (Sydney) Date of Access: 11 January 2013.

<http://www.icac.nsw.gov.au/>.

⁸⁷⁸ Councils React to ICAC Recommendations, ABC News (Sydney). 30 October 2012. Date of Access: 3 January 2013.

<http://www.abc.net.au/news/2012-10-30/councils-react-to-icac-recommendations/4340672>.

⁸⁷⁹ Integrity and Accountability Legislation Amendment Bill 2012, Parliament of Victoria (Victoria) 13 November 2012. Date of Access: 11 January 2013.

www.legislation.vic.gov.au/domino/Web_Notes/.../571212bi1.docx.

⁸⁸⁰ Protected Disclosure Bill 2012, Parliament of Victoria (Victoria) 13 November 2012. Date of Access: 11 January 2013.

[http://www.legislation.vic.gov.au/domino/Web_Notes/LDMS/PubPDocs.nsf/ee665e366dcb6cb0ca256da400837f6b/3def9fb442189536ca257ab5007b9365/\\$FILE/571041bi1.pdf](http://www.legislation.vic.gov.au/domino/Web_Notes/LDMS/PubPDocs.nsf/ee665e366dcb6cb0ca256da400837f6b/3def9fb442189536ca257ab5007b9365/$FILE/571041bi1.pdf).

⁸⁸¹ Final Bill for IBAC Tabled Parliament, ABC News (Sydney). 13 November 2012. Date of Access: 4 January 2013.

<http://www.abc.net.au/news/2012-11-13/government-to-introduce-final-ibac-bills/4368346>.

⁸⁸² Final Bill for IBAC Tabled Parliament, ABC News (Sydney) 13 November 2012. Date of Access: 4 January 2013.

<http://www.abc.net.au/news/2012-11-13/government-to-introduce-final-ibac-bills/4368346>.

⁸⁸³ Final Bill for IBAC Tabled Parliament, ABC News (Sydney) 13 November 2012. Date of Access: 4 January 2013.

<http://www.abc.net.au/news/2012-11-13/government-to-introduce-final-ibac-bills/4368346>.

guidelines.”⁸⁸⁴ The amendments seek to provide disincentives and combat tax evasion in working with industry and the wider community.

In January 2013, Government of Australia in partnership with Pacific Island states launched the Extractive Industries Transparency Initiative (EITI) designed to encourage mining companies to disclose the tax revenues and royalties they pay to governments, and encourage governments to disclose what they receive.⁸⁸⁵ Australia has agreed to host the sixth EITI Global Conference in May 2013.⁸⁸⁶

On 3 April 2013, the Treasury published its proposals aimed at improving the transparency of the corporate tax system. Under the proposed regulations, large multinational companies would have to disclose to the public their tax payables with total income earned of AD100 or more.⁸⁸⁷ The other two proposals of the same package referred to enhancing information sharing between government bodies and releasing companies’ mining or petroleum tax liabilities.⁸⁸⁸

On 12 May 2013, Assistant Treasurer Minister David Bradbury, announced Australia’s intention to sign a new tax treaty with Switzerland that would strengthen the cooperation between the two countries.⁸⁸⁹ According to the Assistant Treasurer Minister, “[this] is a key objective of both governments and reflects long-standing efforts to improve international standards of tax transparency and tax information exchange.”⁸⁹⁰

On 22 May 2013, Attorney General Mark Dreyfus QC announced the government’s decision to join the Open Government Partnership.⁸⁹¹ The Attorney General stated; “The [government] will start work on a National Action Plan to build on our existing commitments to open and

⁸⁸⁴ Progressing reforms to Australia's transfer pricing rules, Ministry of the Treasury (Canberra) 22 November 2012. Date of Access: 13 February 2013.
<http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/2012/144.htm&pageID=003&min=djba&Year=&DocType=>.

⁸⁸⁵ Mining transparency initiative to help Pacific nations, Australia Network News (Sydney) 22 January 2013. Date of Access: 13 February 2013.

<http://www.abc.net.au/news/2013-01-22/an-mining-transparency-initiative-to-help-pacific/4479210>.

⁸⁸⁶ Extractive Industries Transparency Initiative, Department of Resources, Energy and Tourism (Canberra) 1 November 2012. Date of Access: 13 February 2013

http://www.ret.gov.au/resources/resources_programs/eiti/Pages/index.aspx.

⁸⁸⁷ Australia eyes corporate tax transparency, Financial Times (London) 3 April 2013. Date of Access: 30 June 2013. <http://www.ft.com/intl/cms/s/0/748c2952-9c49-11e2-9a4b-00144feabdc0.html#axzz2Xkv1zC00>.

⁸⁸⁸ Australia eyes corporate tax transparency, Financial Times (London) 3 April 2013. Date of Access: 30 June 2013. <http://www.ft.com/intl/cms/s/0/748c2952-9c49-11e2-9a4b-00144feabdc0.html#axzz2Xkv1zC00>.

⁸⁸⁹ Revised Tax Treaty with Switzerland, Assistant Treasurer Minister Assisting for Deregulation (Canberra) 12 May 2013. Date of Access: 30 June 2013.

<http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/2013/067.htm&pageID=003&min=djba&Year=&DocType=>.

⁸⁹⁰ Revised Tax Treaty with Switzerland, Assistant Treasurer Minister Assisting for Deregulation (Canberra) 12 May 2013. Date of Access: 30 June 2013.

<http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/2013/067.htm&pageID=003&min=djba&Year=&DocType=>.

⁸⁹¹ Australia Sends Letter of Intent to Join OGP, Open Government Partnership (Washington DC) 3 June 2013. Date of Access: 30 June 2013.

<http://www.opengovpartnership.org/news/australia-sends-letter-intent-join-ogp>.

transparent government [...] membership of the Open Government Partnership will complement Australia's leadership internationally in promoting democracy, transparency, and good governance.⁸⁹²

Thus, Australia has partially complied with its commitment to fight corruption by taking a series of measures to promote transparency of public procurement and corporate and international tax system and advance its national anti-corruption legislation — all in adherence with the UNCAC provisions — and by becoming involved with the ADB/OECD Anti-Corruption Initiative. Australia is awarded a score of 0.

Analyst: Darya Kutovaya

Brazil: 0

Brazil has partially complied with its commitment to combat crime and corruption by ratifying and working towards full implementation of the UNCAC.

Brazil signed the UNCAC on 9 December 2003 and ratified it on 15 June 2005.⁸⁹³ It has contributed voluntarily to the resources for the functioning of the Mechanism for the Review of Implementation of the UNCAC.⁸⁹⁴ On 24 August 2000, Brazil ratified the OECD Anti-Bribery Convention.⁸⁹⁵

Brazil participated in a series of UNCAC meetings and Working Groups in Vienna from June to November 2012. From 18 to 22 June 2012, the Brazilian government participated in the UNCAC Implementation Review Group (Third) session.⁸⁹⁶ On 27-29 August 2012, it participated in the UNCAC meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption,⁸⁹⁷ where the Brazilian panelist made a presentation outlining the Office of the

⁸⁹² Australia joins Open Government Partnership, Attorney-General for Australia Minister for Emergency Management (Canberra) 22 May 2013. Date of Access: 30 June 2013.

<http://www.attorneygeneral.gov.au/Mediareleases/Pages/2013/Second%20quarter/22May2013-AustraliajoinsOpenGovernmentPartnership.aspx>.

⁸⁹³ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

⁸⁹⁴ Resources and expenditures for the functioning of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption: Note by the Secretariat, United Nations Office on Drugs and Crime (Vienna) 13 November 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/V1257290e.pdf>.

⁸⁹⁵ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Cooperation and Development (Paris) 20 November 2012. Date of Access: 14 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

⁸⁹⁶ Report of the Implementation Review Group on its resumed third session, United Nations Office on Drugs and Crime (Vienna) 16 November 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/CacCospIrg2012-6Add1webversion.pdf>.

⁸⁹⁷ Report on the meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption, United Nations Office on Drugs and Crime (Vienna) 7 September 2012. Date of Access: 4 January 2013.

Comptroller General's (CGU) experiences fostering private sector integrity by partnering with the Ethos Institute.⁸⁹⁸ It also participated in the UNCAC Meeting of Experts to Enhance International Cooperation on 22-23 October 2012.⁸⁹⁹

On 29 October 2012, Brazil released an assessment of "Brazil's Action Plan with the Open Government Partnership," in conjunction with an invitation for broad participation from the Brazilian people by contributing proposals for the next Action Plan online via E-democracy from 29 October to 5 December 2012.⁹⁰⁰ Brazil was a founding member of the Open Government Partnership. The multilateral initiative was the result of the announcement made by the United States and Brazil to establish a new framework for cooperative anti-corruption efforts⁹⁰¹. Brazil chaired the initiative until September 2012.

On 4 December 2012, Brazil's supreme audit institution (SAI) — the Federal Court of Accounts (TCU) — has commenced a process to reform the audit of the Accounts of President of the Republic.⁹⁰² Through the Public Governance Review of Brazil's Supreme Audit Institution, which has been developed by the TCU in collaboration with SAIs from other OECD countries, the OECD hopes to identify ways to enhance transparency and accountability of federal budget execution in Brazil.

On 13 December 2012, Brazil published the final report of the first National Conference on Transparency and Social Control (Consocial), under the aegis of the Comptroller General of the Union (CGU). According to Secretary of the Corruption Prevention and Strategic Information Vinicius Mario Spinelli "the report reflects a broad discussion process that highlights the priorities of society in building public policies to prevent and combat corruption."⁹⁰³

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/V1255805e.pdf>.

⁸⁹⁸ Report on the meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption, United Nations Office on Drugs and Crime (Vienna) 7 September 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/V1255805e.pdf>.

⁸⁹⁹ Report on the meeting of experts to enhance international cooperation under the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 24 October 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/EMInternationalCooperation/22-23October2012/V1256899e.pdf>.

⁹⁰⁰ Virtual Consultation on Open Government Begins on 29 October, The Office of the Comptroller General (Brasilia) 29 October 2012. Date of Access: 4 January 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2012/noticia16312.asp>.

⁹⁰¹ Fact Sheet on U.S. – Brazil Democracy, Human Rights, and Labor Cooperation, The White House, Office of the Press Secretary (Washington D.C.) 19 March 2011. Date of Access: 11 January 2013.

http://www.whitehouse.gov/sites/default/files/uploads/Brazil_Democracy_Human_Rights.pdf.

⁹⁰² Brazil's Supreme Audit Institution: Enhancing Audit Reporting and Communication is Key for Enhancing Integrity in Government Accounts, Organisation for Economic Co-operation and Development (Paris) 4 December 2012. Date of Access: 25 January 2013.

<http://www.oecd.org/gov/ethics/externalauditbrazil2012.htm>.

⁹⁰³ CGU publishes final report of the 1st Consocial, The Office of the Comptroller General (Brasilia) 13 December 2012. Date of Access 4 January 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2012/noticia20212.asp>.

Brazil expanded the Transparency Portal,⁹⁰⁴ under the supervision of the Comptroller General of the Union (CGU). On 30 July 2012, the government released information disclosing remuneration of active military and joined Armed Forces as well as the indemnity funds received by civilian and military employees on 30 August 2012.⁹⁰⁵

In November 2012, Brazil hosted the 15th International Anti-Corruption Conference (IACC).⁹⁰⁶ The focus of the Conference was the fight against corruption on a global level through the cooperation of national, regional, and international institutions.⁹⁰⁷

In December 2012, the National Legislature approved the Tax Transparency Law with the aim of informing citizens about tax money spending.⁹⁰⁸

On 28 December 2012, Brazil passed a legislation outlining new rules for the deductibility of intercompany interest. The proactive development outlines that an “efficient transfer pricing policy is key to mitigating any double taxation issues”,⁹⁰⁹ thus reducing issues of tax evasion. As noted, the changes do little to align Brazilian transfer pricing legislation with the international norm and continue to lack the economic rationale provided under the OECD guidelines.⁹¹⁰

On 5 March 2013, in preparation for the assessment of compliance by the OECD Working Group on Bribery, Secretary of Corruption Prevention and Strategic Information Sergio Seabra participated in the first meeting of Integrated Management of National Strategy for Combating Corruption and Money Laundering (ENCCLA).⁹¹¹ The goal the meeting was to address actions

⁹⁰⁴ The Transparency Portal was first established in 2004 to allow people to follow the Federal Government’s financial actions through its online database. Transparency Portal, The Office of the Comptroller General (CGU) (Brasilia) November 2004. Date of Access: 4 January 2013.

<http://www.cgu.gov.br/english/AreaPrevencaoCorrupcao/AreasAtuacao/IncrementoPortal.asp>.

⁹⁰⁵ Compensation and Joined Military are Available on the Transparency Portal, The Office of the Comptroller General (CGU) (Brasilia) 30 July 2012. Date of Access: 4 January 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2012/noticia11612.asp>.

⁹⁰⁶ Mobilising People: Connecting Agents of Change, 15th International Anti-Corruption Conference (IACC) (Brasilia) 7-10 November 2012. Date of Access: 11 January 2013.

<http://15iacc.org/about/hosts/language/en/>.

⁹⁰⁷ Mobilising People: Connecting Agents of Change, 15th International Anti-Corruption Conference (IACC) (Brasilia) 7-10 November 2012. Date of Access: 11 January 2013.

<http://15iacc.org/agenda/full-agenda/language/en/>.

⁹⁰⁸ Tax Transparency in Brazil Legislation, AlJazeera English (Rio de Janeiro) 26 December 2012. Date of Access: 11 January 2013.

<http://www.aljazeera.com/indepth/opinion/2012/12/201212247511859447.html>.

⁹⁰⁹ Getting to grips with Brazil’s transfer pricing legislation, World Finance (London) 7 January 2013. Date of Access: 12 February 2013.

<http://www.worldfinance.com/markets/transfer-pricing/getting-to-grips-with-brazils-transfer-pricing-legislation>.

⁹¹⁰ Getting to grips with Brazil’s transfer pricing legislation, World Finance (London) 7 January 2013. Date of Access: 12 February 2013.

<http://www.worldfinance.com/markets/transfer-pricing/getting-to-grips-with-brazils-transfer-pricing-legislation>.

⁹¹¹ Enccla inicia trabalhos de 2013 com investimentos na gestão de ações, A Controladoria-Geral da União (Brasilia) 5 March 2013. Date of Access: 28 June 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia02713.asp>.

and targets of the agencies that operate under the supervision of the federal government, in order to enhance the prevention and fight against corruption and money laundering.⁹¹²

On 7-8 March 2013, at the Latin American Meeting on Private Sector Responsibility in the Fight Against Corruption, the Office of the Comptroller General (CGU) participated in the Regional Meeting on Private Sector Accountability in Combating Corruption, which brought together members of the Organization of American States and OECD representatives.⁹¹³

On 11 March 2013, the Inter-American Development Bank (IDB) announced a USD18 million loan agreement with the CGU in order to consolidate its institutional capacity and strengthen mechanisms to prevent and combat corruption in public service.⁹¹⁴ The initiative will strengthen the operational capacity of the CGU, which is charged with carrying out strategic measures to improve the integrity and management of public resources. The program will promote interactions between the CGU and federal public administrators and increase transparency and civil society oversight in the management of public resources.⁹¹⁵

On 21 March 2013, the CGU participated in the Sixth Technical Meeting of the National Council of Internal Control (CONACI).⁹¹⁶ Secretary Seabra stated that the intention is “to have a database of sanctions always updated so that the Register will serve as a reference to the organs of government, all members of the Federation, in respect of the procurement process, and also functions as a tool for transparency society in general.”⁹¹⁷

On 9 April 2013, Brazil’s Public Ministry, in collaboration with Federal Police, mounted a massive anti-corruption operation in 12 states.⁹¹⁸ The operation, coordinated by the National Group for Combating Criminal Organizations (Grupo Nacional de Combate às Organizações Criminosas: Gncoc), aimed at fulfilling eighty-six prison orders, 311 search and detain warrants,

⁹¹² Enccla inicia trabalhos de 2013 com investimentos na gestão de ações, A Controladoria-Geral da União (Brasília) 5 March 2013. Date of Access: 28 June 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia02713.asp>.

⁹¹³ Brasil é reconhecido como exemplo em encontro da OEA sobre combate à corrupção, A Controladoria-Geral da União (Brasília) 12 March 2013. Date of Access 28 June 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia03213.asp>.

⁹¹⁴ IDB \$18 million loan to help prevent and combat corruption in Brazil’s public administration, International Development Bank (Washington) 11 March 2013. Date of Access: 28 June 2013.

<http://www.iadb.org/en/news/news-releases/2013-03-11/prevent-and-combat-corruption-in-brazil,10363.html>.

⁹¹⁵ IDB \$18 million loan to help prevent and combat corruption in Brazil’s public administration, International Development Bank (Washington) 11 March 2013. Date of Access: 28 June 2013.

<http://www.iadb.org/en/news/news-releases/2013-03-11/prevent-and-combat-corruption-in-brazil,10363.html>.

⁹¹⁶ CGU participa da 6ª Reunião Técnica do Conaci, A Controladoria-Geral da União (Brasília) 27 March 2013. Date of Access: 28 June 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia03913.asp>.

⁹¹⁷ CGU participa da 6ª Reunião Técnica do Conaci, A Controladoria-Geral da União (Brasília) 27 March 2013. Date of Access: 28 June 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia03913.asp>.

⁹¹⁸ Operações de combate à corrupção têm pelo menos 62 detidos, entre eles quatro ex-prefeitos, O Globo (Rio de Janeiro) 9 April 2013. Date of Access: 29 June 2013.

<http://oglobo.globo.com/pais/operacoes-de-combate-corrupcao-tem-92-detidos-entre-eles-quatro-ex-prefeitos-8064100>.

sixty-five asset freezes, and twenty removals from public office.⁹¹⁹ In total 144 prosecutors, 1,200 federal, civil, and military police took part. Charges ranged from money laundering to the setting up of false companies, illicit enrichment of public officials, and tax evasion. The operation sought to break up corruption schemes in various states that had resulted in the diversion of an estimated BRL1.1 billion (USD555 million) in public funds.⁹²⁰

On 8-10 April 2013, the CGU attended the meeting of the Executive Committee of the International Association of Anti-Corruption Authorities (IAACA) in Delhi, India. During the meeting the CGU was recognized as: “one of the most active promoters of international cooperation against corruption not only in South America, but globally.”⁹²¹

On 23-24 April 2013, Brazil’s Minister of the Comptroller General Jorge Hage held a presentation titled “The Role of Civil Society in the Fight Against Corruption: The Brazilian Experience”⁹²² at the OECD “2013 Forum on Integrity: Improving Integrity in Practice.”⁹²³

On 24 April 2013, the Special Committee of the Brazilian House of Representatives passed the Clean Company Act, an anti-corruption bill designating the bribing of public officials a civil and administrative offense.⁹²⁴ Key provisions of the Act cover: (1) corporate liability; (2) prohibited conduct; (3) sanctions; (4) credits for compliance programs; (5) rewards on cooperation with governmental authorities; and (6) rewards on self-disclosures.⁹²⁵ Even though the passing of the bill was considered a positive step, there were still worries that it would fall short of international standards and might not meet the OECD Anti-Bribery Convention requirements.⁹²⁶

⁹¹⁹ Operações de combate à corrupção têm pelo menos 62 detidos, entre eles quatro ex-prefeitos, O Globo (Rio de Janeiro) 9 April 2013. Date of Access: 29 June 2013.

<http://oglobo.globo.com/pais/operacoes-de-combate-corrupcao-tem-92-detidos-entre-eles-quatro-ex-prefeitos-8064100>.

⁹²⁰ Operações de combate à corrupção têm pelo menos 62 detidos, entre eles quatro ex-prefeitos, O Globo (Rio de Janeiro) 9 April 2013. Date of Access: 29 June 2013.

<http://oglobo.globo.com/pais/operacoes-de-combate-corrupcao-tem-92-detidos-entre-eles-quatro-ex-prefeitos-8064100>.

⁹²¹ CGU participa da reunião da Associação Internacional de Autoridades Anticorrupção (IAACA), A Controladoria-Geral da União (Brasília) 16 April 2013. Date of Access: 28 June 2013.

<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia04413.asp>.

⁹²² 2013 Forum on Integrity: Improving Integrity in Practice, OECD Conference Centre (Paris) 23-24 April 2013. Date of Access: 28 June 2013.

<http://www.oecd.org/cleangovbiz/2013IntegrityForumAgenda.pdf>.

⁹²³ 2013 Forum on Integrity: Improving Integrity in Practice, OECD Conference Centre (Paris) 23-24 April 2013. Date of Access: 28 June 2013.

<http://www.oecd.org/cleangovbiz/2013IntegrityForumAgenda.pdf>.

⁹²⁴ Brazil’s anti-bribe bill moves ahead, but is it enough?, Reuters (New York) 26 April 2013. Date of Access: 1 July 2013.

<http://www.trust.org/item/20130426040830-k20de/>.

⁹²⁵ Brazil’s anti-bribe bill moves ahead, but is it enough?, Reuters (New York) 26 April 2013. Date of Access: 1 July 2013.

<http://www.trust.org/item/20130426040830-k20de/>.

⁹²⁶ Brazil’s anti-bribe bill moves ahead, but is it enough?, Reuters (New York) 26 April 2013. Date of Access: 1 July 2013.

<http://www.trust.org/item/20130426040830-k20de/>.

On 7 May 2013, the Federal Executive approved The Second Brazilian Action Plan for the Open Government Partnership.⁹²⁷ The Action Plan includes forty-five commitments made by the Brazilian government in five key areas: (1) increasing public integrity; (2) more effective management of public resources; (3) improving services; (4) creating safer communities; and (5) increased corporate responsibility.⁹²⁸

On 27-31 May 2013, Brazilian officials participated in the Fourth Session of the Implementation Review Group in Vienna.⁹²⁹ In a Note prepared by the Secretariat on “Technical assistance in support of the implementation of the United Nations Convention against Corruption” at the Fourth Session of the Implementation Review Group, Brazil was noted for receiving legislative drafting assistance and legal advice regarding the incorporation of provisions of the UNCAC into national legislation.⁹³⁰

On 26 June 2013, Senate approved bill PLS 204/2011 that designated corruption as a “heinous crime,” increasing the penalties that can be imposed and preventing any perpetrators who are convicted from being able to secure reduced sentences or release on bail. The bill increased the minimum sentence for corruption from two to four years.⁹³¹ Making corruption a heinous crime was one of President’s Dilma Rousseff commitments aimed at appeasing the protesters around the country.⁹³²

Brazil is working towards the full implementation of the UNCAC. Brazil has ratified the UNCAC and been actively involved in the work of the UNCAC working groups and meetings, contributed to promotion of the fight against corruption on the international level, taken steps to increase transparency and accountability of federal budget execution, as well as become actively involved with the initiatives of the OECD Public Sector Integrity Division. Thus Brazil is awarded a score of 0.

Analyst: Benjamin Crase

⁹²⁷ 2º Plano de Ação Brasileiro, Open Government Partnership (Washington) 7 May 2013. Date of Access: 3 July 2013.
http://www.cgu.gov.br/PrevencaoDaCorrupcao/CompromissosInternacionais/GovernoAberto/documentos/arquivos/ogp-brasil-plano_acao2.pdf.

⁹²⁸ Brasil lança 2º Plano de Ação da OGP, A Controladoria-Geral da União (Brasilia) 13 May 2013. Date of Access: 28 June 2013
<http://www.cgu.gov.br/Imprensa/Noticias/2013/noticia05413.asp>.

⁹²⁹ Final List of Participants, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 27-31 May 2013. Date of Access: 28 June 2013.
http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/27-31May2013/Final_list_of_participants.pdf.

⁹³⁰ Note by the Secretariat on technical assistance in support of implementation on UNCAC, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 27-31 May 2013. Date of Access: 28 June 2013.
<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/27-31May2013/V1381987e.pdf>.

⁹³¹ During meeting of five hours, Senate begins to follow most important agenda, Federal Senate (Brasilia) 28 June 2013. Date of Access: 3 July 2013.
<http://www12.senado.gov.br/internacional/en/2013/during-meeting-of-five-hours-senate-begins-to-follow-most-important-agenda>.

⁹³² Brazil’s Senate Toughens Punishments, BBC News (London) 27 June 2013. Date of Access: 15 July 2013. <http://newseurope.me/2013/06/29/brazil-senate-toughens-punishments-for-corruption/>.

Canada: 0

Canada has partially complied with the commitment on crime and corruption. Canada steadily moves towards the full implementation of the UNCAC provisions. Also, Canada continues to engage with the OECD Working Group on Bribery and conform to its policy recommendations.

On 2 October 2007, Canada ratified the United Nations Conventions against Corruption (UNCAC).⁹³³ On 17 December 1998, Canada ratified the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.⁹³⁴

On 13 October 2012, the Department of Finance published draft amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (PCMLTFR)⁹³⁵ with the purpose of adhering to the Financial Action Task Force's Recommendations on customer due diligence and record-keeping.⁹³⁶ More specifically, the amendment provided the definition of "business relationship"⁹³⁷ as well as the provisions regarding ongoing monitoring to the PCMLTFR⁹³⁸ and the circumstances under which reporting entities must take customer due diligence measures.⁹³⁹

On 11 July 2012, Public Works and Government Services Canada (PWGSC) extended the list of offences which render companies and individuals ineligible to bid on contracts under the Corruption of Foreign Public Officials Act (CFPOA). These are: (1) money laundering; (2) participation in activities of criminal organizations; (3) income and excise tax evasion; (4) bribing a foreign public official; and (5) drug trafficking.⁹⁴⁰ The newly extended list of offences will be applied to PWGSC solicitations and real property transactions allowing PWGSC to terminate

⁹³³ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 14 January 2013. <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

⁹³⁴ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions:

Ratification Status as of 20 November 2012, Organization for Economic Cooperation and Development (Paris) 20 November 2012. Date of Access: 16 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

⁹³⁵ Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, Canada Gazette (Ottawa) 31 October 2012. Date of Access: 30 December 2012. <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-10-13/html/reg1-eng.html>.

⁹³⁶ Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, Canada Gazette (Ottawa) 31 October 2012. Date of Access: 30 December 2012. <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-10-13/html/reg1-eng.html>.

⁹³⁷ Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, Canada Gazette (Ottawa) 31 October 2012. Date of Access: 30 December 2012. <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-10-13/html/reg1-eng.html>.

⁹³⁸ Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, Canada Gazette (Ottawa) 31 October 2012. Date of Access: 30 December 2012. <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-10-13/html/reg1-eng.html>.

⁹³⁹ Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, Canada Gazette (Ottawa) 31 October 2012. Date of Access: 30 December 2012. <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-10-13/html/reg1-eng.html>.

⁹⁴⁰ Canada's Fight against Foreign Bribery, The Thirteenth Annual Report to Parliament Implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Enforcement of the Corruption of Foreign Public Officials Act (September 2011 – August 2012) Foreign Affairs and International Trade Canada (Ottawa) August 2012. Date of Access: 30 December 2012. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/ds/13-report-rapport.aspx?lang=eng&view=d>.

future contracts and leases with companies and individuals that are convicted before the end of their contract or lease.

On 15 October 2012, Minister of Finance Jim Flaherty presented in the House of Commons a Notice of Ways and Means Motion regarding the implementation of specific tax provisions from Economic Action Plan 2012. The provisions included regulations in relation to International Taxation designed to improve the integrity and fairness of the thin capitalization rules.⁹⁴¹ On 6 July 2012, Minister Flaherty announced new regulations for more transparent dispute resolution procedures protecting consumers on banking complaints.⁹⁴² These new regulations would set specific requirements for external complaints entities and give the Financial Consumer Agency of Canada (FCAC) the authority to monitor and enforce compliance with the new high standards.⁹⁴³

On 18 September 2012, Minister of State (Finance) Ted Menzies made public the government's plan of the expansion of the Code of Conduct for the Credit and Debit Card Industry in Canada to include mobile payments. The purpose of this Addendum was to ensure transparency and fairness of the Code's principles⁹⁴⁴ and deliver on the government's commitment to comply with the Task Force for the Payments System Review's final report.⁹⁴⁵

On 28 June 2012, at the third biennial review of the United Nations Global Counter-Terrorism Strategy, Foreign Affairs Minister John Baird reiterated the Canadian government's support of the international efforts to combat terrorism by launching capacity-building projects worth of CAD8 million through its Counter-Terrorism Capacity Building Program (CTCBP).⁹⁴⁶ The CTCBP will include training, equipment and technical assistance to assist other countries to prevent and respond to global acts of terrorism.

In addition, in its continuing effort to prevent fiscal evasion, the Canadian government has signed a series of conventions, protocols and agreements with a number of countries, including Colombia,⁹⁴⁷ Singapore,⁹⁴⁸ Switzerland,⁹⁴⁹ China's Hong Kong⁹⁵⁰, and Liechtenstein⁹⁵¹.

⁹⁴¹ Minister Flaherty Tables Notice of Ways and Means Motion to Implement Tax Provisions in Economic Action Plan 2012 and Other Tax Measures, Department of Finance Canada (Ottawa) 15 October 2012. Date of Access: 30 December 2012.

<http://www.fin.gc.ca/n12/12-124-eng.asp> .

⁹⁴² Harper Government Imposes Tough New Pro-Consumer Oversight on Banking Complaints, Department of Finance Canada (Ottawa) 6 July 2012. Date of Access: 30 December 2012.

<http://www.fin.gc.ca/n12/12-079-eng.asp>.

⁹⁴³ Harper Government Imposes Tough New Pro-Consumer Oversight on Banking Complaints, Department of Finance Canada (Ottawa) 6 July 2012. Date of Access: 30 December 2012.

<http://www.fin.gc.ca/n12/12-079-eng.asp> .

⁹⁴⁴ Harper Government Announces Code of Conduct Expansion to Mobile Payments, Department of Finance Canada (Ottawa) 18 September 2012. Date of Access: 30 December 2012.

<http://www.fin.gc.ca/n12/12-106-eng.asp> .

⁹⁴⁵ Task Force for the Payments System Review, Department of Finance Canada (Ottawa) 18 June 2010. Date of Access: 30 December 2012.

http://www.fin.gc.ca/n12/data/12-030_1-eng.asp .

⁹⁴⁶ Canada Further Increases Its Commitment to Global Terror Fight, Foreign Affairs and International Trade Canada (Ottawa) 28 June 2012. Date of Access: 30 December 2012.

<http://www.international.gc.ca/media/aff/news-communiqués/2012/06/28a.aspx?lang=eng&view=d> .

⁹⁴⁷ Entry Into Force of the Convention between Canada and the Republic of Colombia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital, Department of Finance Canada (Ottawa) 10 July 2012. Date of Access: 31 December 2012.

On 20 June 2012, Minister of Citizenship, Immigration and Multiculturalism Jason Kenney unveiled the Faster Removal of Foreign Criminals Act⁹⁵², which aligns with the government's commitment to the no-safe-haven policy for convicted foreign nationals through streamlining the processes of deportation and through posing barriers to enter the country. In addition, on 13 December 2012, Minister and United States Ambassador to Canada David Jacobson signed the Immigration Information Sharing Treaty further enhancing the two governments' mutual efforts to strengthen border security.⁹⁵³

On 5 February 2013, the federal government tabled amendments on the Corruption of Foreign Public Officials Act (CFPOA) conforming to the OECD's recommendations to tighten its anti-bribery legislation.⁹⁵⁴ The amendments also came after many allegations against Canadian companies operating abroad and Canada's ranking among countries with "moderate enforcement" in 2012 by Transparency International.⁹⁵⁵ Under Bill S-14, "An Act to Amend the Corruption of Foreign Public Officials Act"⁹⁵⁶, the penalty for bribing foreign officials will rise from five to 14 years, the prosecution of Canadian companies or individuals will be easier, the Royal Canadian

<http://www.fin.gc.ca/treaties-conventions/notices/colombia-colombie-eng.asp> .

⁹⁴⁸ Protocol Amending the Convention Between the Government of Canada and the Government of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, Done in Singapore on 6 March 1976, Department of Finance Canada (Singapore) 29 November 2012. Date of Access: 31 December 2012.

<http://www.fin.gc.ca/treaties-conventions/singapore-singapour-prot-eng.asp> .

⁹⁴⁹ Agreement Concerning the Interpretation of Article 25 of the Convention between the Government of Canada and the Swiss Federal Council for the Avoidance of Double Taxation with Respect to Taxes on Income and on Capital, Done at Berne on 5 May 1997, as Amended by the Protocol Done at Berne on 22 October 2010,

Department of Finance Canada (Ottawa) 23 July 2012. Date of Access: 31 December 2012.

<http://www.fin.gc.ca/treaties-conventions/switzerland-suisse2-eng.asp> .

⁹⁵⁰ Agreement Between the Government of Canada and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, Department of Finance Canada (Hong Kong) 11 November 2012. Date of Access: 31 December 2012.

<http://www.fin.gc.ca/treaties-conventions/hongkong-eng.asp> .

⁹⁵¹ Canada Signs Tax Information Exchange Agreement with Liechtenstein, Government of Canada (Ottawa) 31 January 2013. Date of Access: 14 February 2013.

http://www.canadainternational.gc.ca/switzerland-suisse/highlights-faits/2013/TIEA_signature_AERF.aspx?lang=en&view=d.

⁹⁵² Faster Removal of Foreign Criminals Act, Citizenship and Immigration Canada, (Ottawa) 20 June 2012. Date of Access: 30 December 2012.

<http://www.cic.gc.ca/english/department/media/releases/2012/2012-06-20.asp> .

⁹⁵³ Strengthening Border Security, Citizenship and Immigration Canada (Ottawa) 13 December 2012. Date of Access: 30 December 2012.

<http://www.cic.gc.ca/english/department/media/releases/2012/2012-12-13.asp> .

⁹⁵⁴ Canada Toughens Foreign Bribery Law, Transparency International (Berlin) 7 February 2013. Date of Access: 14 February 2013.

http://www.transparency.org/news/feature/canada_toughens_foreign_bribery_law.

⁹⁵⁵ Canada Toughens Foreign Bribery Law, Transparency International (Berlin) 7 February 2013. Date of Access: 14 February 2013.

http://www.transparency.org/news/feature/canada_toughens_foreign_bribery_law.

⁹⁵⁶ Bill S-14, Parliament of Canada (Ottawa) 5 February 2013. Date of Access: 14 February 2013.

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=5960861&File=4>.

Mounted Police (RCMP) will have exclusive authority to lay charges, and extending the scope of the Act to apply to all business.⁹⁵⁷ Transparency International welcomed the amendments stating that “with these new changes, and Canada’s continued commitment to providing resources to investigate and prosecute those who continue to pay bribes, Canada can become a leader in the fight against international corruption.”⁹⁵⁸

On 15 April 2013, Minister of National Revenue Gail Shea reiterated the Federal government’s commitment to continue to combat tax evasion by: (1) the launching of a new Stop International Tax Evasion Program; (2) authorizing Canada Revenue Agency (CRA) to obtain information from third parties; and (3) introducing additional requirements for the reporting of detailed information.⁹⁵⁹

In May 2013, the OECD Working Group on Bribery released its Follow-Up to the Phase Three Report and Recommendations in regards to Canada’s progress. The Working Group welcomed the significant steps the Canadian government has made through Bill S-14. Nevertheless, it also noted that some recommendations remain to be fully met.⁹⁶⁰

On 12 June 2013, Prime Minister Stephen Harper announced the establishment of a new reporting regime to improve transparency and accountability in the extractive sector according to international standards.⁹⁶¹ The Canadian government will consult with its provincial and territorial counterparts, First Nations and Aboriginal groups as well as civil society organizations in the forthcoming months, on how to establish the most effective regime.⁹⁶²

Canada has enacted with some of the UNCAC recommendations as well as remained involved with the OECD Working Group on Bribery. Thus, Canada has partially complied with its commitment on crime and corruption and receives a score of 0.

Lead Analyst: Eleni Tsaliki

⁹⁵⁷ Canada to Boost Anti-Bribery Efforts, The Huffington Post (Ottawa) 5 February 2013. Date of Access: 14 February 2013.
http://www.huffingtonpost.ca/2013/02/05/canada-to-boost-anti-bribery_n_2625013.html.

⁹⁵⁸ Transparency International Canada Says Ottawa’s Move to Strengthen Anti-Corruption Legislation Sends a Powerful Message to the Canadian Business Community, Transparency International Canada (Ottawa) 5 February 2013. Date of Access: 14 February 2013.
[http://www.transparency.ca/9-Files/2013-New/20120205-TI-Canada Response to%20CFPOA amendments.pdf](http://www.transparency.ca/9-Files/2013-New/20120205-TI-Canada%20Response%20to%20CFPOA%20amendments.pdf).

⁹⁵⁹ Minister Shea highlights the Harper Government’s efforts at cracking down on international tax evasion and aggressive international tax avoidance, Canada Revenue Agency (Ottawa) 15 April 2013. Date of Access: 26 June 2013.
<http://www.cra-arc.gc.ca/nwsrm/rlss/2013/m04/nr130415-eng.html>.

⁹⁶⁰ Canada: Follow-Up To The Phase 3 Report & Recommendations, Organisation for Economic Co-operation and Development Working Group on Bribery (Paris) 14 May 2013. Date of Access: 26 June 2013.
<http://www.oecd.org/daf/anti-bribery/CanadaP3writtenfollowupreportEN.pdf>.

⁹⁶¹ Canada Commits to Enhancing Transparency in the Extractive Sector, Prime Minister of Canada (Ottawa) 12 June 2013. Date of Access: 26 June 2013.
<http://pm.gc.ca/eng/media.asp?id=5525>.

⁹⁶² Canada Commits to Enhancing Transparency in the Extractive Sector, Prime Minister of Canada (Ottawa) 12 June 2013. Date of Access: 26 June 2013.
<http://pm.gc.ca/eng/media.asp?id=5525>.

China: 0

China has partially complied with its commitment to combat crime and corruption. China has ratified the UNCAC and is presently working towards its full implementation by enhancing international cooperation and tightening legislation against corruption. China has not yet adopted the OECD Anti-Bribery Convention but is actively engaging with the Asian Development Bank (ADB)/OECD Anti-Corruption Initiative.

On 10 December 2003, China signed the United Nations Convention against Corruption (UNCAC) and ratified it on 13 January 2006.⁹⁶³ China is also a full member of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific⁹⁶⁴, the Financial Action Task Force (FATF)⁹⁶⁵, co-founder of the Eurasian Group (EAG)⁹⁶⁶, and a member of the Asia/Pacific Group on Money Laundering (APG).⁹⁶⁷

In June 2012, China hosted the Fourth Seminar of the International Association of Anti-Corruption Authorities (IAACA), which was aimed at promoting effective implementation of the UNCAC.⁹⁶⁸ Delegates from 80 countries and regions convened to share anti-corruption experiences and discuss international cooperation in asset retrieval.⁹⁶⁹ The delegates consented to continue: (1) strengthening international cooperation to prevent and restrain across-the-border fund transfer of corruption crimes; (2) implementing related mechanisms of the UNCAC and actively launching bilateral and multilateral law-enforcement cooperation; and (3) actively connecting the domestic laws with the UNCAC to reduce the law barriers of asset retrieval.⁹⁷⁰

⁹⁶³ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 30 December 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

⁹⁶⁴ Member Countries and Economies, ADB/OECD Anti-Corruption Initiative for Asia and the Pacific Organization for Economic Cooperation and Development (Paris) 19 April 2005. Date of Access: 11 January 2013. <http://www.oecd.org/site/adboecdanti-corruptioninitiative/theinitiativesmembercountriesandeconomies.htm>.

⁹⁶⁵ China, Countries, Financial Action Task Force (FATF) (Paris) June 2007. Date of Access: 14 January 2013. <http://www.fatf-gafi.org/countries/a-c/china/>.

⁹⁶⁶ China, People's Republic of, Eurasian Group (EAG) (Moscow) 6 October 2004. Date of Access: 14 January 2013. <http://www.eurasiangroup.org/China.php>.

⁹⁶⁷ China, People's Republic of, Asia/Pacific Group on Money Laundering (APG) (Bangkok) February 1997. Date of Access: 14 January 2013.

<http://www.apgml.org/apg-members/default.aspx?JurisdictionID=47>.

⁹⁶⁸ NBCP Office Attending the Fourth IAACA Seminar, National Bureau of Corruption Prevention of China (Beijing) 4 July 2012. Date of Access: 27 December 2012.

<http://www.nbc.gov.cn/article/English/InternationalExchangesandCooperation/201207/20120700017899.shtml>.

⁹⁶⁹ NBCP Office Attending the Fourth IAACA Seminar, National Bureau of Corruption Prevention of China (Beijing) 4 July 2012. Date of Access: 27 December 2012.

<http://www.nbc.gov.cn/article/English/InternationalExchangesandCooperation/201207/20120700017899.shtml>.

⁹⁷⁰ NBCP Office Attending the Fourth IAACA Seminar, National Bureau of Corruption Prevention of China (Beijing) 4 July 2012. Date of Access: 27 December 2012.

<http://www.nbc.gov.cn/article/English/InternationalExchangesandCooperation/201207/20120700017899.shtml>.

On 23-24 October 2012, China participated in the 11th Regional Seminar of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific and the Government Inspectorate of Vietnam on Tracing Illicit Flows, Asset Recovery and Asset Disclosure.⁹⁷¹

On 5 November 2012, the Ministry of Supervision issued a statement on the repatriation of runaway corrupt officials. In the statement, the Ministry noted China's strengthened mechanisms for international prosecutorial cooperation.⁹⁷² The Ministry reported that since 2007 more than 500 fugitives of economic-related crimes have been captured outside China and sent back.⁹⁷³ According to the statement, the Ministry of Public Security has also tightened rules on the issuance of entry-exit certificates in order to prevent corrupt officials from escaping the country.⁹⁷⁴

On 14 November 2012, the Central Commission for Discipline Inspection (CCDI) of the Communist Party of China (CPC) submitted a report to the 18th CPC National congress. The report summarized its campaign over the past five years and called for toughened combat against corruption. According to the report, officials involved in bribery, power abuse, and other forms of infringement upon the people's economic, political, and personal rights and interests have been and will continue to be severely punished by the law.⁹⁷⁵ The CCDI ensured that all government personnel who with spouses and/or children living overseas will be closely watched. Additionally, a supervision system for those officials to report their personal assets will be enforced.⁹⁷⁶

On 17 November 2012, China's new Party Head Xi Jinping announced the launching of a massive "rectification" campaign in the spring of 2013 to root out corruption.⁹⁷⁷ This is expected to be the largest rectification movement since the Yan'an Rectification in the early 1940s. Local

⁹⁷¹ ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, Asian Development Bank/ Organization for Economic Cooperation and Development (Hanoi) 23-24 October 2012. Date of Access: 11 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/11thRegSeminarPressRelease.pdf>.

⁹⁷² Prosecutors Capture 76 Government Officials on the Run, Government of China (Beijing) 6 November 2012. Date of Access: 27 December 2012.

http://english.gov.cn/2012-11/06/content_2258321.htm.

⁹⁷³ Prosecutors Capture 76 Government Officials on the Run, Government of China (Beijing) 6 November 2012. Date of Access: 27 December 2012.

http://english.gov.cn/2012-11/06/content_2258321.htm.

⁹⁷⁴ Prosecutors Capture 76 Government Officials on the Run, Government of China (Beijing) 6 November 2012. Date of Access: 27 December 2012.

http://english.gov.cn/2012-11/06/content_2258321.htm.

⁹⁷⁵ 668,000 People Disciplined in Five Years in China, Government of China (Beijing) 19 November 2012. Date of Access: 27 December 2012.

http://english.gov.cn/2012-11/19/content_2270350.htm.

⁹⁷⁶ CPC Discipline Watchdog Vows Crackdown on Corruption, Government of China (Beijing) 19 November 2012. Date of Access: 27 December 2012.

http://english.gov.cn/2012-11/19/content_2270426.htm.

⁹⁷⁷ China's New Anti-Corruption Czar Gears up to 'Rectify' Communist Party, The Epoch Times (Beijing) 13 December 2012. Date of Access: 14 January 2013.

<http://www.theepochtimes.com/n2/china-news/chinas-new-anti-corruption-czar-gears-up-to-rectify-communist-party-323773.html>.

anti-corruption authorities in different regions have already dismissed corrupt officials “at unprecedented rate within 20 days.”⁹⁷⁸

On 27 September 2012, the Ministry of Finance and Central Bank jointly advocated for the implementation of specialized credit cards.⁹⁷⁹ To be used by civil servants, the special cards will carry traceable records of each transaction, which can enhance fiscal transparency and contribute to anti-corruption efforts.⁹⁸⁰

In December 2012, the Ministry of Finance released a policy entitled “Standards for Internal Controls for all Administrative Organizations” designed to strengthen internal control mechanisms of economic activities within administrative organizations, such as budget management, expenditure management, assets management, government procurement, and construction projects management.⁹⁸¹

On 31 December 2012, the CCDI submitted a report to the CPC Central Committee outlining the Party’s anti-graft plan for 2013 on preventing and punishing cases of extravagance, bureaucratic behaviour, and abuse of power.⁹⁸²

On 1 January 2013, the Interpretation on Several Issues Concerning the Specific Application of Law in the Trial of Criminal Cases on Offering Bribes (“Interpretation”) issued by the Supreme People’s Court and the Supreme People’s Procuratorate took effect. This interpretation offers more precise definitions and clarifications on the conviction and sentencing standards for crimes regarding bribery.⁹⁸³ On 8 January 2013, the Interpretation I on Several Issues Concerning the Application of Law in the Trial of Criminal Cases on Dereliction of Duty (“Interpretation”), also took effect, with the purpose of encouraging public officials to fulfill their duties more diligently.⁹⁸⁴

On 22 January 2013, during a CPC disciplinary watchdog meeting, Party Head Xi Jinping called for efforts to adopt more anti-corruption measures. Some of those measures include implementing

⁹⁷⁸China’s New Anti-Corruption Czar Gears up to ‘Rectify’ Communist Party, The Epoch Times (Beijing) 13 December 2012. Date of Access: 14 January 2013.
<http://www.theepochtimes.com/n2/china-news/chinas-new-anti-corruption-czar-gears-up-to-rectify-communist-party-323773.html>.

⁹⁷⁹ China Urges Quicker Adoption of Government Staff Credit Cards, Government of China (Beijing) 27 September 2012. Date of Access: 27 December 2012.
http://english.gov.cn/2012-09/27/content_2234722.htm.

⁹⁸⁰ China Urges Quicker Adoption of Government Staff Credit Cards, Government of China (Beijing) 27 September 2012. Date of Access: 27 December 2012.
http://english.gov.cn/2012-09/27/content_2234722.htm.

⁹⁸¹ Standards for Internal Control for all Administrative Units by Ministry of Finance, RSM China, (Beijing) 25 December 2012. Date of Access: 14 January 2013.
http://www.rsmchina.com.cn/news_detail.asp?log_ID=429.

⁹⁸² CPC Outlines Anti-Corruption Plan for New Year, English News (Beijing) 31 December 2012. Date of Access: 14 January 2013.
http://news.xinhuanet.com/english/china/2012-12/31/c_124173547.htm.

⁹⁸³ Monthly China Anti-Corruption Update Report – January 2013, Lexology (London) 4 February 2013. Date of Access: 12 February 2013.

<https://www.lexology.com/library/detail.aspx?g=eb6d1a6a-5a1f-4c4e-b483-366db02bcee1>.

⁹⁸⁴ Monthly China Anti-Corruption Update Report – January 2013, Lexology (London) 4 February 2013. Date of Access: 12 February 2013.

<https://www.lexology.com/library/detail.aspx?g=eb6d1a6a-5a1f-4c4e-b483-366db02bcee1>.

greater democratic centralism and improving government transparency through publicizing governing activities.⁹⁸⁵

On 23 January 2013, after Party Head Xi Jinping's vow for a renewed war on corruption, the disciplinary arm of the CPC issued a communiqué detailing new strategies. Specifically, the CCDI will be imbued with more supervisory power over officials at various levels in order to eliminate embezzlement of public money.⁹⁸⁶

On 18 January 2013, at the end of a two-day meeting in New Delhi, China along with its BRICS counterparts (Brazil, Russia, India, and South Africa) issued a joint communiqué identifying seven areas of tax policy and tax administration that could extend their cooperation, share capacity building, anti-avoidance and non-compliance practices and enhance the enforcement processes.⁹⁸⁷ The cooperation will extend to developing standards on international taxation and transfer pricing, problem-solving regarding incomplete information disclosure and fraudulent claims, enhancement of information exchange systems and resources sharing, and developing a BRICS mechanism to counter tax avoidance transactions, arrangements, shelters and schemes.⁹⁸⁸

On 24-26 April 2013, China and the United States co-hosted the Asia-Pacific Economic Cooperation (APEC) Anti-Corruption and Transparency Workshop on the Denial of Safe Haven, Asset Recovery and Extradition in Shanghai.⁹⁸⁹ The aim of the workshop was to reinforce the 2005 APEC agreement on prosecuting bribery and denying safe haven to individuals guilty of corruption, those who corrupt them, and the proceeds of corruption.⁹⁹⁰

On 24 May 2013, the Legislative Affairs Office of the State Council published a draft regulation on freezing assets of terrorist groups. The draft, which was compiled jointly by the People's Bank of China, the Ministry of Public Security and the Ministry of State Security, aims to provide the legal framework to combat terrorism by forbidding the raising of funds for terrorist organizations or the provision of any services.⁹⁹¹

⁹⁸⁵ Xi Jinping Vows Unswerving Fight Against Corruption, National Bureau of Corruption Prevention of China (Beijing) 22 January 2013. Date of Access: 8 February 2013.
<http://www.nbc.gov.cn/article/English/Updates/201301/20130100020346.shtml>.

⁹⁸⁶ CPC Disciplinarians Vow Penalties for Excessive Spending, National Bureau of Corruption Prevention of China (Beijing) 24 January 2013. Date of Access: 8 February 2013.
<http://www.nbc.gov.cn/article/English/ComprehensiveInformation/201301/20130100020347.shtml>.

⁹⁸⁷ BRICS Countries Vow to Address Transfer Pricing Enforcement Issues, International Trade Compliance Strategies (Manitoba) 24 January 2013. Date of Access: 13 February 2013.
<http://tradecompliance.ghy.com/2013/01/bric-countries-vow-to-address-transfer-pricing-enforcement-issues/>.

⁹⁸⁸ BRICS Countries Vow to Address Transfer Pricing Enforcement Issues, International Trade Compliance Strategies (Manitoba) 24 January 2013. Date of Access: 13 February 2013.
<http://tradecompliance.ghy.com/2013/01/bric-countries-vow-to-address-transfer-pricing-enforcement-issues/>.

⁹⁸⁹ Anti-Corruption Workshop to Conclude in Shanghai, Asia-Pacific Economic Cooperation (Singapore) 26 April 2013. Date of Access: 27 June 2013.
http://www.apec.org/Press/News-Releases/2006/0426_cn_actworkshopconcludes.aspx.

⁹⁹⁰ Anti-Corruption Workshop to Conclude in Shanghai, Asia-Pacific Economic Cooperation (Singapore) 26 April 2013. Date of Access: 27 June 2013.
http://www.apec.org/Press/News-Releases/2006/0426_cn_actworkshopconcludes.aspx.

⁹⁹¹ Draft rule on funding takes aim at terrorism, China Daily (Beijing) 24 May 2013. Date of Access: 29 June 2013. http://www.chinadaily.com.cn/china/2013-05/24/content_16526571.htm.

On 3 June 2013, President and General Secretary of the Chinese Communist Party Xi Jinping announced at a conference attended by members of the Politburo Standing Committee that he would be launching a “thorough clean-up” of the ruling Communist Party.⁹⁹² This upcoming yearlong anti-graft campaign will target work styles such as formalism, bureaucratism, laxity, and extravagance among party members.⁹⁹³ Shortly after this meeting, ten inspection teams were dispatched and arrived at relevant destinations to oversee local officials.⁹⁹⁴

On 24 June 2013, Bankers Acuity, the global standard for payment efficiency and compliance solutions, co-hosted the China Third-Party Payment Anti-Money Laundering seminar with China Centre of Anti-Money Laundering Studies (CCAMLS).⁹⁹⁵ The People’s Bank of China and the Chinese Ministry of Public Security and Industry also joined the discussion in preventing and tackling emerging trends of money laundering and terrorist financing.⁹⁹⁶

On 22-24 June 2013, the fifth meeting of the International Association of Anti-Corruption Authorities (IAACA) took place in Jinan, Shandong Province. At the seminar, China’s Supreme People’s Procuratorate signed a Memorandum of Understanding on anti-graft partnership with the Indonesian counterpart.⁹⁹⁷ Cooperation between the two agencies will include exchanging information and technical assistance, sharing practices to handle corruption and money-laundering cases, as well as recovering stolen assets to crack down on transnational and transregional corruption.⁹⁹⁸

China has not yet adopted the OECD Anti-Bribery Convention.⁹⁹⁹

⁹⁹² China’s Xi in ‘Thorough Clean-Up’ of Party: Media, Bangkok Post (Bangkok) 19 June 2013. Date of Access: 26 June 2013.

<http://www.bangkokpost.com/news/asia/355809/china-xi-in-thorough-clean-up-of-party-media>.

⁹⁹³ China’s Xi in ‘Thorough Clean-Up’ of Party: Media, Bangkok Post (Bangkok) 19 June 2013. Date of Access: 26 June 2013.

<http://www.bangkokpost.com/news/asia/355809/china-xi-in-thorough-clean-up-of-party-media>.

⁹⁹⁴ China’s Inspection Teams Overseeing Local Officials, Xinhuanet (Beijing) 3 June 2013. Date of Access: 27 June 2013.

http://news.xinhuanet.com/english/china/2013-06/03/c_132427874.htm.

⁹⁹⁵ AML Challenge to Combat Criminal Use of Third-Part Payment Platforms, AFP Network (Shanghai) 24 June 2013. Date of Access: 27 June 2013.

<http://www.bobsguide.com/guide/news/2013/Jun/24/aml-challenge-to-combat-criminal-use-of-third-party-payment-platforms.html>.

⁹⁹⁶ AML Challenge to Combat Criminal Use of Third-Part Payment Platforms, AFP Network (Shanghai) 24 June 2013. Date of Access: 27 June 2013.

<http://www.bobsguide.com/guide/news/2013/Jun/24/aml-challenge-to-combat-criminal-use-of-third-party-payment-platforms.html>.

⁹⁹⁷ China, Indonesia Sign Anti-Graft Cooperation Memo, Xinhuanet (Beijing) 25 June 2013. Date of Access: 27 June 2013.

http://news.xinhuanet.com/english/china/2013-06/25/c_132485617.htm.

⁹⁹⁸ Senior Officials Call for More International Anti-Corruption Cooperation, Global Times China (Beijing) 24 June 2013. Date of Access: 27 June 2013.

http://www.globaltimes.cn/content/791063.shtml#.Ucz_Zvk3stE.

⁹⁹⁹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 27 December 2012.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

China has ratified the UNCAC and is currently implementing its provisions. China has not adopted yet the OECD Anti-Bribery Convention; however, China has more actively engaged with the ADB/OECD Anti-Corruption Initiative. Therefore, China is awarded a score of 0.

Analyst: Maggie Shi

France: 0

France has partially complied with its commitment to combat crime and corruption. Even though the French government has moved forward in its implementation of the UNCAC, the implementation remains incomplete. France has not been actively involved in the work of the OECD Working Group on Bribery since the Los Cabos Summit.

On 9 December 2003, France signed the United Nations Convention against Corruption (UNCAC) and ratified it on 11 July 2005.¹⁰⁰⁰ On 29 September 2000, France became full member of the OECD Anti-Bribery Convention by entering into force the implementing legislation.¹⁰⁰¹ It is also a member of the Financial Action Task Force (FATF),¹⁰⁰² and holds an observer status with the Asia Pacific Group on Money Laundering (APG),¹⁰⁰³ the Eurasian Group (EAG),¹⁰⁰⁴ the Financial Action Task Force of South America against Money Laundering (GAFISUD),¹⁰⁰⁵ and the Middle East and North Africa Financial Action Task Force (MENAFATF).¹⁰⁰⁶

On 18-22 June 2012, France participated in the third session of the Implementation Review Group of the UNCAC in Vienna.¹⁰⁰⁷ The Secretariat presented its Executive Summary on France's implementation of the UNCAC in relation to its legal system, the anti-corruption legal and institutional framework, criminalization and law enforcement, extradition, and international

¹⁰⁰⁰ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 16 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁰⁰¹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions:

Ratification Status as of 20 November 2012 Organization for Economic Cooperation and Development (Paris) 20 November 2012. Date of Access: 16 January 2013.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹⁰⁰² France, Countries, Financial Action Task Force (FATF) (Paris) July 1989. Date of Access: 16 January 2013. <http://www.fatf-gafi.org/countries/d-i/france/>.

¹⁰⁰³ Observer Jurisdictions and Organizations, France Asia Pacific Group on Money Laundering (APG) (Bangkok) Date of Access: 16 January 2013.

<http://www.apgml.org/observers/default.aspx?ObserverID=2>.

¹⁰⁰⁴ Observer states and organizations, Eurasian Group on Combating Money Laundering (EAG) (Moscow) Date of Access: 16 January 2013.

<http://www.eurasiangroup.org/observers.php>.

¹⁰⁰⁵ Observers, France Financial Action Task Force of South America against Money Laundering (GAFISUD) (Buenos Aires) 2000. Date of Access: 16 January 2013.

<http://www.gafisud.info/observadores.php?p=Francia>.

¹⁰⁰⁶ Members and Observers, Middle East and North Africa Financial Action Task Force (MENAFATF) (Manama) Date of Access: 16 January 2013.

<http://menafatf.org/topiclist.asp?ctype=about&id=430>.

¹⁰⁰⁷ Final List of Participants, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 16 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

cooperation.¹⁰⁰⁸ The overall findings were positive, with the reviewers observing adequate implementation of the provisions of chapters III and IV of the UNCAC.¹⁰⁰⁹ However, the assessors added that deficiencies remain and enlisted their recommendations for future actions.¹⁰¹⁰

On 12 October 2012, the OECD released the Phase 3 Report on the implementation of the OECD Anti-Bribery Convention in France.¹⁰¹¹ The Working Group praised the reforms are underway in relation to ensuring the independence of prosecutors from any political power or influence, the facilitation of legal procedures for seizure and confiscation, the establishment of legislation for the protection of whistleblowers, and the high performance of the Anti-Money Laundering Unit (TRACFIN)¹⁰¹² in detecting and reporting cases.¹⁰¹³

The Working Group called upon the French government for attention to and actions on: (1) the low number of proceedings and convictions on foreign bribery probably due to limited resources available to investigations; (2) the French authorities' weak response to sanctioned companies by other Parties to the Convention; and (3) the prohibition to victims of foreign bribery to initiate criminal prosecutions (with the exception of corruption within the European Union).¹⁰¹⁴ The Working Group also asked the French government to draw the attention of its law enforcement authorities to the importance of reacting to the full in cases of foreign bribery.¹⁰¹⁵

¹⁰⁰⁸ Executive Summaries, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 16 January 2013.
<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1187226e.pdf>.

¹⁰⁰⁹ Executive Summaries, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 16 January 2013.
<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1187226e.pdf>.

¹⁰¹⁰ Executive Summaries, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 16 January 2013.
<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1187226e.pdf>.

¹⁰¹¹ Phase Three Report on Implementing the OECD Anti-Bribery Convention in France, Organization for Economic Cooperation and Development (Paris) October 2012. Date of Access: 28 December 2012.
<http://www.oecd.org/daf/briberyininternationalbusiness/FrancePhase3en.PDF>.

¹⁰¹² Le Portail de l'Economie et des Finances, TRACFIN (Paris) Date of Access: 16 January 2013.
<http://www.economie.gouv.fr/tracfin/accueil-tracfin>.

¹⁰¹³ Phase Three Report on Implementing the OECD Anti-Bribery Convention in France, Organization for Economic Cooperation and Development (Paris) October 2012. Date of Access: 28 December 2012.
<http://www.oecd.org/daf/briberyininternationalbusiness/FrancePhase3en.PDF>.

¹⁰¹⁴ Phase Three Report on Implementing the OECD Anti-Bribery convention in France, Organization for Economic Cooperation and Development (Paris) October 2012. Date of Access: 28 December 2012.
<http://www.oecd.org/daf/briberyininternationalbusiness/FrancePhase3en.PDF>.

¹⁰¹⁵ Phase Three Report on Implementing the OECD Anti-Bribery convention in France, Organization for Economic Cooperation and Development (Paris) October 2012. Date of Access: 28 December 2012.
<http://www.oecd.org/daf/briberyininternationalbusiness/FrancePhase3en.PDF>.

On 27 November 2012, the Anti-Money Laundering Unit (TRACFIN) published a new special newsletter announcing changes in the reporting procedures from professionals in regards to money laundering and terrorist financing starting from 1 January 2013.¹⁰¹⁶

On 13 February 2013, the French government introduced a new bill granting the right to anti-corruption associations that have been lawfully registered for at least five years, to initiate lawsuits.¹⁰¹⁷

On 9 April 2013, Interior Minister Manuel Valls participated in the 15th meeting of the Western Mediterranean countries in Algiers.¹⁰¹⁸ The participants renewed their commitment to combat terrorism and organized crime through the strengthening of cooperation and coordination of security services. The ministers also have agreed to continue to advance their work to: (1) promote the exchange of information on organized crime networks; (2) enhance cooperation against illicit human trafficking as well as illicit trafficking of arms, drugs and ammunitions; and (3) improve security of internet networks against cybercrime.¹⁰¹⁹

On 24 April 2013, the French government presented a new bill on the process of wealth declaration by government officials. According to the proposed legislation, elected officials, ministerial staff, mayors, and other officials will be obliged to declare their assets, income and any potential conflicts of interest to an independent authority.¹⁰²⁰ As the government spokeswoman Najat Vallaud- Belkacem stated: “The aim is to restore public confidence in politicians and place our country among the most advanced democracies in terms of preventing conflict of interest in public life.”¹⁰²¹

On 22 May 2013, French President Francois Hollande in a joint press conference with British Prime Minister David Cameron announced the United Kingdom and France’s intention to join and implement the Extractive Industries Transparency Initiative (EITI).¹⁰²² The Chair of EITI

¹⁰¹⁶ Tracfin Published a New Special Newsletter for Professionals, Le Portail de l’Economie et des Finances, TRACFIN (Paris) 27 November 2012. Date of Access: 16 January 2013.

<http://www.economie.gouv.fr/tracfin/tracfin-publie-nouveau-special-lettre-dinformation-aux-professionnels>.

¹⁰¹⁷ Proposition De Loi Tendat A Autoriser Les Associations Anticorruption A Ester En Justice, Assemble Nationale (Paris) 13 February 2013. Date of Access: 27 June 2013.

<http://www.assemblee-nationale.fr/14/propositions/pion0718.asp>.

¹⁰¹⁸ Western Mediterranean Interior Ministers Pledge to Fight Terrorism, Organized Crime, The North Africa Post (Algiers) 9 April 2013. Date of Access: 27 June 2013.

<http://northafricapost.com/3328-western-mediterranean-interior-ministers-pledge-to-fight-terrorism-organized-crime.html>.

¹⁰¹⁹ Western Mediterranean Interior Ministers Pledge to Fight Terrorism, Organized Crime, The North Africa Post (Algiers) 9 April 2013. Date of Access: 27 June 2013.

<http://northafricapost.com/3328-western-mediterranean-interior-ministers-pledge-to-fight-terrorism-organized-crime.html>.

¹⁰²⁰ France launches push to expose wealthy lawmakers' assets, Reuters (London) 24 April 2013. Date of Access: 27 June 2013.

<http://www.reuters.com/article/2013/04/24/us-france-lawmakers-idUSBRE93N0WN20130424>.

¹⁰²¹ France launches push to expose wealthy lawmakers' assets, Reuters (London) 24 April 2013. Date of Access: 27 June 2013.

<http://www.reuters.com/article/2013/04/24/us-france-lawmakers-idUSBRE93N0WN20130424>.

¹⁰²² The accession of France to the Transparency Initiative Extractive Industries, French Ministry of Foreign Affairs (Paris) 23 May 2013. Date of Access: 27 June 2013.

welcomed this initiative stating that “it is only through transparency of the production of oil, gas and mining across the world that we can limit corruption, make sure that the sector is well governed, and that the income from it leads to development.”¹⁰²³

On 6 June 2013, Finance Minister Pierre Moscovici stated that the government is considering amendments to the law related to transfer pricing rules in order to make the principle more explicit and close any gaps that can be exploited by multinational companies.¹⁰²⁴ The initiative came after an internal report of the Finance Ministry that indicated that the French transfer pricing rules have been out of date.¹⁰²⁵

France has partially complied with its commitment to combat crime and corruption by advancing its legal and institutional framework as the recommendations made by the UNCAC and the OECD Working Group on Bribery. Therefore, France is awarded a score of 0.

Lead Analyst: Eleni Tsaliki

Germany: -1

Germany has failed to comply with the commitment on crime and corruption, as Germany has not yet ratified the UNCAC.

Germany has signed the United Nations Convention against Corruption (UNCAC) on 9 December 2003 but has not yet ratified it.¹⁰²⁶ Germany ratified the OECD Anti-Bribery Convention on 15 February 1999.¹⁰²⁷ It is also a member of the Financial Action Task Force (FATF) since 1990, and holds an observer status with the Asia/Pacific Group on Money

<http://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/diplomatie-economique-901/actualites-liees-a-la-diplomatie/article/l-adhesion-de-la-france-a-l>.

¹⁰²³ France and United Kingdom Commit to Global Transparency Standard, Extractive Industries Transparency Initiative (Oslo) 22 May 2013. Date of Access: 27 June 2013.

<http://eiti.org/news/france-and-united-kingdom-commit-global-transparency-standard>.

¹⁰²⁴ France targets multinationals with tax rules shake-up, Reuters (London) 6 June 2013. Date of Access: 27 June 2013.

<http://www.reuters.com/article/2013/06/06/france-tax-idUSL5N0EI3DH20130606>.

¹⁰²⁵ France targets multinationals with tax rules shake-up, Reuters (London) 6 June 2013. Date of Access: 27 June 2013.

<http://www.reuters.com/article/2013/06/06/france-tax-idUSL5N0EI3DH20130606>.

¹⁰²⁶ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 3 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁰²⁷ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions:

Ratification Status as of 20 November 2012 Organization for Economic Cooperation and Development (Paris) 20 November 2012. Date of Access: 16 January 2013.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

Laundering (APG),¹⁰²⁸ Eurasian Group (EAG),¹⁰²⁹ and the Financial Action Task Force on Money Laundering in South America (GAFISUD).¹⁰³⁰

On 26 September 2012, the Federal Government adopted the High-Frequency Trading Act.¹⁰³¹ The purpose of this Act is to bring transparency, security, and clarity to electronic trading transactions. According to the Federal Ministry of Finance, “the German draft introduces national measures that anticipate and complement European efforts to regulate high-frequency trading.”¹⁰³²

On 14 October 2012, the Federal Ministry of Finance announced its agreement with Singapore to enhance their cooperation in tax matters with the purpose of tackling cross-border tax evasion.¹⁰³³ This agreement includes a series of amendments in relation to the Standard of exchanging information: (1) information for all types of tax; (2) exchange of information can also take place for non-residents of the contracting states; (3) the requested state must obtain information even when it does not require information for tax purposes; and (4) banking secrecy poses no longer obstacle to exchanging information.¹⁰³⁴ The agreement will come into force after both countries have ratified it domestically.

On 19 December 2012, the German Cabinet approved the draft of the Fee-Based Investment Advice Act.¹⁰³⁵ This law establishes a new regulatory framework, giving investors greater transparency regarding independent and fee-based advice on investments. Through this Act, Germany introduces the professional designations “fee-based investment adviser” and “fee-based

¹⁰²⁸ Asia/Pacific Group on Money Laundering (APG), Financial Action Task Force (Bangkok) Date of Access: 13 January 2013.

<http://www.fatf-gafi.org/pages/asiapacificgrouponmoneylaunderingapg.html> .

¹⁰²⁹ About EAG, Eurasian Group on combating money laundering and financing of terrorism (Moscow) Date of Access: 13 January 2013.

<http://www.eurasiangroup.org/>.

¹⁰³⁰ Federal Republic of Germany, Observers Financial Action Task Force of South America against Money Laundering (GAFISUD) 2002. Date of Access: 3 January 2013.

<http://www.gafisud.info/eng-observadores.php>.

¹⁰³¹ Speed limit for high-frequency trading – Federal Government adopts legislation to avoid risks and prevent abuse in high-frequency trading, Federal Ministry of Finance (Berlin) 26 September 2012. Date of Access: 29 January 2013.

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-09-26-speed-limit-for-high-frequency-trading.html>.

¹⁰³² Speed limit for high-frequency trading – Federal Government adopts legislation to avoid risks and prevent abuse in high-frequency trading, Federal Ministry of Finance (Berlin) 26 September 2012. Date of Access: 29 January 2013

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-09-26-speed-limit-for-high-frequency-trading.html>.

¹⁰³³ Germany and Singapore to enhance tax cooperation in exchange of information, Federal Ministry of Finance (Berlin) 14 October 2012. Date of Access: 29 January 2013.

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-10-14-PM65.html>.

¹⁰³⁴ Germany and Singapore to enhance tax cooperation in exchange of information, Federal Ministry of Finance (Berlin) 14 October 2012. Date of Access: 29 January 2013.

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-10-14-PM65.html>.

¹⁰³⁵ German Government Regulates Fee-Based Investment Advice, Creating New Model Which Gives Investors Greater Transparency, Federal Ministry of Finance (Berlin) 19 December 2012. Date of Access: 29 January 2013. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-12-18-PM85.html>.

financial investment adviser” into its Securities Trading Act and Trade Regulation Code respectively.¹⁰³⁶

On 1 January 2013, key components of the Act on the Strengthening of German Financial Supervision entered into force.¹⁰³⁷ According to the Act, there is a clear separation of tasks between Bundesbank and the Federal Financial Supervisory Authority (BaFin) as well as exchange of information and a structured collaboration between the two institutions.¹⁰³⁸ The creation of the Financial Stability Commission is a core element of the new Act. The role of the Commission is to ensure that a structured and transparent dialogue takes place between relevant institutions on financial stability.¹⁰³⁹ In addition, the Act establishes a consumer advisory council as well as new consumers’ complaints procedures, enhancing consumers’ protection.¹⁰⁴⁰

On 8 August 2012, Germany’s biggest business leaders criticised the government for not ratifying the UNCAC¹⁰⁴¹ and called for revision of Members of the Parliament bribery laws.¹⁰⁴² According to Federal Criminal Police Office (BKA) President Jörg Ziercke, “many trading transactions and commodity deals are becoming more and more transparent.”¹⁰⁴³

On 28 November 2012, the Group of States against Corruption (GRECO) — of which Germany is a member¹⁰⁴⁴ — issued an interim report concluding Germany’s compliance to the recommendations from GRECO has been “globally unsatisfactory.”¹⁰⁴⁵ The report identified

¹⁰³⁶ German Government Regulates Fee-Based Investment Advice, Creating New Model Which Gives Investors Greater Transparency, Federal Ministry of Finance (Berlin) 19 December 2012. Date of Access: 29 January 2013. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-12-18-PM85.html>.

¹⁰³⁷ Act on the Strengthening of German Financial Supervision, Federal Financial Supervisory Authority (Berlin) 18 January 2013. Date of Access: 29 January 2013.

http://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Fachartikel/fa_bj_2013_01_finstabg_en.html.

¹⁰³⁸ Act on the Strengthening of German Financial Supervision, Federal Financial Supervisory Authority (Berlin) 18 January 2013. Date of Access: 29 January 2013.

http://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Fachartikel/fa_bj_2013_01_finstabg_en.html.

¹⁰³⁹ Act on the Strengthening of German Financial Supervision, Federal Financial Supervisory Authority (Berlin) 18 January 2013. Date of Access: 29 January 2013.

http://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Fachartikel/fa_bj_2013_01_finstabg_en.html.

¹⁰⁴⁰ Act on the Strengthening of German Financial Supervision, Federal Financial Supervisory Authority (Berlin) 18 January 2013. Date of Access: 29 January 2013.

http://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Fachartikel/fa_bj_2013_01_finstabg_en.html.

¹⁰⁴¹ German Big Businesses Push Government To Sign Anti-Corruption Convention, Transparency International News, (Berlin) 8 August 2012. Date of Access: 3 January 2013. http://www.transparency.org/news/feature/german_big_businesses_push_government_to_sign_anti_corruption_convention.

¹⁰⁴² German CEOs Join Transparency International Calls for Revision of MP Bribery Laws, Transparency International News (Berlin) 8 August 2012. Date of Access: 3 January 2013. http://www.transparency.org/news/pressrelease/20120808_german_ceos_join_transparency_international_calls_for_revision_of.

¹⁰⁴³ Germany, a Safe Haven for Money Laundering, Deutsche Welle (Berlin) 30 October 2012. Date of Access: 29 January 2013.

<http://www.dw.de/germany-a-safe-haven-for-money-laundering/a-16343313>.

¹⁰⁴⁴ GRECO: Members and Observers, Council of Europe (Strasbourg) 16 January 2013. Date of Access: 25 January 2013.

http://www.coe.int/t/dghl/monitoring/greco/general/members_en.asp.

¹⁰⁴⁵ Council of Europe Anti-Corruption Group Critical of Party Funding Transparency in Germany, Council of Europe Newsroom (Brussels) 28 November 2012. Date of Access: 3 January 2013.

shortcomings in German bribery law and a failure “to tighten up laws that crack down on illegal party funding and bribing parliamentarians.”¹⁰⁴⁶

Germany’s government officials have repeatedly condemned corruption. Thus, on 26 August 2012, on a trip to Kyrgyzstan, Germany’s Federal Minister of Economic Cooperation and Development Dirk Niebel spoke of the importance of effective anti-corruption legislation: “Progress on anti-corruption, respect for human rights and the rule of law is the best long-term guarantee of stability, security and prosperity.”¹⁰⁴⁷ On 27 October 2012, Minister Niebel called upon the government of Cameroon to continue its efforts to fight corruption: “[...] Cameroon continues to be plagued by corruption. So I would like to expressly encourage its government to continue its anti-corruption efforts with determination.”¹⁰⁴⁸ On 5 December 2012, Minister Niebel again referred to corruption as “one of the biggest obstacles to development, making development cooperation difficult or even impossible.”¹⁰⁴⁹

Germany participated in the session of the UNCAC Implementation Review Group in Vienna as an observer on 18-22 June 2012¹⁰⁵⁰, 27-29 August 2012¹⁰⁵¹, 30-31 August 2012¹⁰⁵², and 14-16 November 2012¹⁰⁵³.

http://hub.coe.int/press/newsroom?p_p_id=newsroom&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&newsroom_struts_action=%2Fext%2Fnewsroom%2Fview_content&newsroom_displayGroupId=10226&newsroom_displayArticleId=1260844&newsroom_displayLanguageId=en_GB&newsroom_displayUrl=http%3A%2F%2Fhub.coe.int%2F%2Fjournal%2Fview_article_content%3FgroupId%3D10226%26articleId%3D1260844%26locale%3Den_GB

¹⁰⁴⁶ Criticism by Council of Europe: Germany Falling Behind in Fight against Corruption, Spiegel Online International (Hamburg) 28 November 2012. Date of Access: 3 January 2013.

<http://www.spiegel.de/international/germany/germany-too-lax-on-fighting-political-corruption-says-watchdog-a-869763.html>.

¹⁰⁴⁷ Dirk Niebel arrives in Kyrgyzstan, Federal Ministry for Economic Cooperation and Development, (Berlin) 26 August 2012. Date of Access: 3 January 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2012/August/20120826_pm_202_kirgisistan/index.html.

¹⁰⁴⁸ Dirk Niebel leaves for visit to Cameroon, Federal Ministry for Economic Cooperation and Development, (Berlin) 27 October 2012. Date of Access: 3 January 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2012/October/20121027_pm_260_kamerun/index.html.

¹⁰⁴⁹ “Corruption is an obstacle to development” says Dirk Niebel, Federal Ministry for Economic Cooperation and Development, (Berlin) 5 December 2012. Date of Access: 3 January 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2012/December/20121205_pm_294_korruption/index.html.

¹⁰⁵⁰ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 3 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹⁰⁵¹ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 29 August 2012. Date of Access: 3 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Final_LOP.pdf

¹⁰⁵² Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 31 August 2012. Date of Access: 3 January 2013.

On 14 March 2013, the German Financial Intelligence Unit under Bundeskriminalamt signed a Memorandum of Understanding with the Turkish Finance Ministry's Financial Crimes Investigative Board (MASAK) as a part of a wider strategy to fight terrorism. Under the new agreement, the two parties will share evidence relating to terrorism financing.¹⁰⁵⁴

On 30 March 2013, Germany urged Uganda for continued implementation of reforms to fight corruption in a bilateral negotiation. Development Minister Dirk Niebel stated "Germany appreciates the steps that the Ugandan government has taken so far to tackle corruption. That is why, in future, we will provide direct assistance to key institutions responsible for public financial management such as the audit office, the finance ministry and the procurement executive. Our aim is to help strengthen accountability and transparency in public financial management."¹⁰⁵⁵

On 7 April 2013, Germany and four other European states agree to include additional capital income, such as dividends, in the comprehensive system for automatic exchange of tax information, in order to halt profit shifting and tax evasion by large companies and to enforce financial transparency.¹⁰⁵⁶

On 19 April 2013, the OECD Working Group on Bribery released its Follow-Up to Phase Three Report and Recommendations on Germany's progress. The Working Group welcomed Germany's ongoing efforts. However, the report concluded that the German government has taken limited substantive action in many areas since its last evaluation. Approximately half of the Working Group's recommendations have not or have been only partially implemented.¹⁰⁵⁷

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/Final_LOP.pdf.

¹⁰⁵³ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 16 November 2012. Date of Access: 3 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/Final_List_of_Participants.pdf.

¹⁰⁵⁴ Memorandum Of Understanding Between The Ministry Of Finance, Financial Crimes Investigation Board

(Masak) Of The Republic Of Turkey And Zentralstelle Für Verdachtsmeldungen At The Bundeskriminalamt (Bka) Of The Federal Republic Of Germany Concerning The Exchange Of Financial Intelligence Related To Money Laundering And Terrorist Financing, Ministry Of Finance, Financial Crimes Investigation Board

(Masak) Of The Republic Of Turkey (Ankara) 13 March 2013. Date of Access: 26 June 2013.

<http://www.masak.gov.tr/media/portals/masak2/files/MoU-Almanya.pdf>.

¹⁰⁵⁵ Protecting Human Rights and Preventing Corruption Are of Key Importance, Federal Ministry for Economic Cooperation and Development (Berlin) 30 May 2013. Date of Access: 22 June 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2013/mai/130530_pm_112_Dirk-Niebel-in-Uganda-Protecting-human-rights-and-preventing-corruption-are-of-key-importance/index.html.

¹⁰⁵⁶ Pursuing Fair Taxation through International Negotiations, Federal Ministry of Finance (Berlin) 31 May 2013. Date of Access: 22 June 2013.

http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal_policy/Articles/2013-04-18-tax-havens.html.

¹⁰⁵⁷ Germany: Follow-Up To Phase 3 Report And Recommendations Implementation Of The Convention On Combating Bribery Of Foreign Public Officials In International Business Transactions And The Recommendation

On 29 May 2013, Germany came to an agreement with the United States to exchange relevant information in order to improve international transparency and tax compliance.¹⁰⁵⁸

Despite Germany's active promotion of anti-corruption policies both domestically and internationally, Germany receives a score of -1, as Germany has not yet ratified the UNCAC.

*Analyst: Jihae Jang
Lead Analyst: Eleni Tsaliki*

India: 0

India has partially complied with its commitment to combat crime and corruption through active avocation for anti-corruption policies in the international arena and developments of its own legislation in relation to matters of corruption, money laundering, and public procurement.

On 9 December 2005, India signed the United Nations Convention against Corruption (UNCAC) and ratified it on 9 May 2011.¹⁰⁵⁹ India is a member of the Financial Action Task Force (FATF),¹⁰⁶⁰ of the Asia Pacific Group on Money Laundering (APG),¹⁰⁶¹ and of the Eurasian Group (EAG).¹⁰⁶² India has not yet signed the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention.

On 18-22 June 2012, India participated in the UNCAC Implementation Review Group in Vienna.¹⁰⁶³

On 23-24 October 2012, India participated in the 11th Regional Seminar of the Asian Development Bank (ADB)/OECD Anti-Corruption Initiative for Asia and the Pacific and the Government Inspectorate of Vietnam on Tracing Illicit Flows, Asset Recovery, and Asset

For Further Combating Bribery in International Business Transactions, Directorate for Financial and Enterprise Affairs Working Group On Bribery In International Business Transactions (Paris) 15 April 2013. Date of Access: 26 June 2013.

[http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB\(2013\)15/FINAL&docLanguage=En](http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB(2013)15/FINAL&docLanguage=En).

¹⁰⁵⁸ Cabinet Approves Cross-Border Tax Compliance Agreement with the US, Federal Ministry of Finance (Berlin) 29 May 2013. Date of Access: 22 June 2013.

<http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2013/2013-05-29-tax-compliance-agreement-with-us.html>.

¹⁰⁵⁹ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 16 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁰⁶⁰ India, Countries, Financial Action Task Force (FATF) (Paris) 29 June 2010. Date of Access: 16 January 2013. <http://www.fatf-gafi.org/countries/d-i/india/>.

¹⁰⁶¹ India, Members Asia Pacific Group on Money Laundering (APG) (Bangkok) March 1998. Date of Access: 16 January 2013.

<http://www.apgml.org/apg-members/default.aspx?JurisdictionID=9>.

¹⁰⁶² Republic of India, Eurasian Group on Combating Money Laundering (EAG) (Moscow) December 2010. Date of Access: 16 January 2013.

<http://www.eurasiangroup.org/India.php>.

¹⁰⁶³ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 16 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

Disclosure.¹⁰⁶⁴ A day earlier, on 22 October 2012, India participated in the 17th Steering Group Meeting of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific where it reported on its recently pursued anti-corruption reforms.¹⁰⁶⁵

In December 2012, the Anti-Corruption Bureau (ACB) set up a Technical Analysis Wing (TAW) and a recommendation cell. The purpose of the two cells is to bring more discipline to various departments. The cells will be charged with collecting technical evidence and making recommendations on the punishment of officials involved in corruption cases.¹⁰⁶⁶

On 29 May 2012, a draft of the Public Procurement Bill was published¹⁰⁶⁷ and was referred to the Standing Committee on Finance for discussion. The Bill is still pending in the House of the People for discussion. Upon the ratification, the Bill is expected to provide a single overarching legislative framework on public procurement processes. It entails provisions on the issues of: (1) procurement costs; (2) establishment of code of integrity; (3) grievance process; (4) creation of an accessible to the public Central Public Procurement Portal; and (5) non-compliance penalties.¹⁰⁶⁸

On 29 November 2012, the House of the People approved amendments to the law against money laundering.¹⁰⁶⁹ The new legislation extends the definitions of terms such as “cheating,” “concealment,” “acquisition,” and “use of proceeds of crime.”¹⁰⁷⁰ According to Finance Minister P. Chidambaram, these amendments confirm India’s intention to intensify its fight against money laundering (especially in relation to terrorist financing) and to align its domestic legislation with the FATF international standards.¹⁰⁷¹

¹⁰⁶⁴ ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, Asian Development Bank/ Organization for Cooperation and Development (Hanoi) 23-24 October 2012. Date of Access: 11 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/11thRegSeminarPressRelease.pdf>.

¹⁰⁶⁵ Compilation of Written Reports by Steering Group Members on Recent Developments and Activities, 17th Steering Group Meeting ADB/OECD Anti-Corruption Initiative for Asia and the Pacific Asian Development Bank/ Organization for Cooperation and Development (Hanoi) 22 October 2012. Date of Access: 16 January 2013. <http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/SG17StepsTakentoImplementAnti-CorruptionPlan&UNCAC.pdf>.

¹⁰⁶⁶ Anti-corruption bureau sets up two new cells to nail graft accused, The Times of India (Mumbai) 1 January 2013. Date of Access: 16 January 2013.

<http://timesofindia.indiatimes.com/city/mumbai/Anti-corruption-bureau-sets-up-two-new-cells-to-nail-graft-accused/articleshow/17837613.cms>.

¹⁰⁶⁷ Bulletin-Part II, Lok Sabha (New Delhi) 26 September 2012. Date of Access: 16 January 2013.

<http://164.100.47.132/bull2/2012/26.9.2012.pdf>.

¹⁰⁶⁸ The Public Procurement Bill, 2012, Lok Sabha (New Delhi) 16 April 2012. Date of Access: 16 January 2013. http://164.100.24.219/BillsTexts/LSBillTexts/asintroduced/58_2012_LS_EN.pdf.

¹⁰⁶⁹ Lok Sabha Approves Changes to Money Laundering Law, The Financial Express (New Delhi) 30 November 2012. Date of Access: 16 January 2013.

<http://www.financialexpress.com/news/lok-Soecd-abha-approves-changes-to-money-laundering-law/1038259>.

¹⁰⁷⁰ Lok Sabha approves changes to money laundering law, The Financial Express (New Delhi) 30 November 2012. Date of Access: 16 January 2013.

<http://www.financialexpress.com/news/lok-sabha-approves-changes-to-money-laundering-law/1038259>.

¹⁰⁷¹ Parliament Passes Stringent Law against Money Laundering, The Economic Times (New Delhi) 30 November 2012. Date of Access: 16 January 2013.

http://articles.economictimes.indiatimes.com/2012-12-17/news/35869028_1_financial-action-task-force-bill-money.

On 17 January 2013, Indian Finance Minister P. Chidambaram urged the BRICS countries — Brazil, Russia, India, China, and South Africa — to be more proactive in modifying existing standards on international taxation and transfer pricing to safeguard their tax revenue interests.¹⁰⁷² Chidambaram reiterated the Indian government's commitment to a stable tax regime, moderate tax rates, non- adversarial tax administration, and a fair mechanism for dispute resolution.¹⁰⁷³

Working towards this goal, on 3 February 2013, the Confederation of Indian Industry (CII) called for domestic transfer pricing practices to be aligned with OECD guidelines in the 2013 Budget to remove uncertainties and instill confidence among investors.¹⁰⁷⁴ Such moves would lead to disincentives regarding tax evasion of larger multinational and conglomerate corporations. On 24 January 2013, the Indian cabinet approved a bilateral extradition treaty and liberalized visas with Bangladesh allowing for greater people-to-people contact and limiting the scope of illegal smuggling and cross-border crime.¹⁰⁷⁵

On 5 April 2013, the government of India signed a treaty and a mutual legal assistance pact on criminal matters with Azerbaijan. The treaty aims to advance the performance of both states in investigations and prosecutions of transnational crimes by providing the necessary legal framework for exchange of mutual legal assistance.¹⁰⁷⁶

On 30 May 2013, the governments of India and Thailand signed an extradition treaty. The treaty tightens the countries' cooperation on security issues, specifically, combating terrorism, organized crime, drug trafficking, and counterfeiting by establishing the institutional and legal framework.¹⁰⁷⁷ Two decades of negotiations preceded the signing of the treaty.

India has partially complied with its commitment to combat crime and corruption. It has taken a series of steps towards enhancing its anti-money laundering and anti-corruption legislation and has been more active in participating in international initiatives. However, it is still not a member

¹⁰⁷² BRICS should cooperate to modify international tax standards: Chidambaram, Daily News (New York), 17 January 2013. Date of Access 13 February 2013.
<http://india.nydailynews.com/newsarticle/e190f4ea359d26dcf35c6e95e52d5a48/brics-should-cooperate-to-modify-international-tax-standards-chidambaram>.

¹⁰⁷³ BRICS should cooperate to modify international tax standards: Chidambaram, Daily News (New York), 17 January 2013. Date of Access 13 February 2013.
<http://india.nydailynews.com/newsarticle/e190f4ea359d26dcf35c6e95e52d5a48/brics-should-cooperate-to-modify-international-tax-standards-chidambaram>.

¹⁰⁷⁴ Budget 2013: Align transfer pricing norms with global best practices, says CII, Economic Times (Mumbai) 3 February 2013. Date of Access: 14 February 2013.
http://articles.economictimes.indiatimes.com/2013-02-03/news/36721408_1_chandrajit-banerjee-domestic-transfer-industry-body-cii.

¹⁰⁷⁵ Extradition treaty and visa pact should take India-Bangladesh ties to new high, The Times of India (Mumbai) 30 January 2013. Date of Access: 13 February 2013.
http://articles.timesofindia.indiatimes.com/2013-01-30/edit-page/36616776_1_extradition-treaty-anup-chetia-visa-pact.

¹⁰⁷⁶ India signs mutual legal assistance pact with Azerbaijan, The Times of India (New Delhi) 5 April 2013. Date of Access: 27 June 2013.
http://articles.timesofindia.indiatimes.com/2013-04-05/india/38305534_1_criminal-matters-law-minister-ashwani-kumar-mutual-legal-assistance.

¹⁰⁷⁷ Joint Statement on the Prime Minister's visit to Thailand, Prime Minister of India (New Delhi) 30 May 2013. Date of Access: 27 June 2013.
<http://pminindia.nic.in/press-details.php?nodeid=1629>.

of the OECD Anti-Bribery Convention and has not fully implemented the UNCAC. Therefore it is awarded a score of 0.

Lead Analyst: Eleni Tsaliki

Indonesia: 0

Indonesia has partially complied with its commitment to battle crime and corruption. It has taken a series of measures to promote international cooperation and develop a more comprehensive legislation governing the process of recovery of stolen assets.

On 19 September 2006 Indonesia ratified the United Nations Convention against Corruption (UNCAC).¹⁰⁷⁸ Indonesia is also a member of the Asia/Pacific Group on Money Laundering (APG)¹⁰⁷⁹ and one of the founding members of the Open Government Partnership (OGP) “a new multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, [and] fight corruption [...]”¹⁰⁸⁰ In compliance with the group’s rotation system, Indonesia assumed co-chairmanship of the Steering Committee with the UK in September 2012 and will become lead chair in September 2013.¹⁰⁸¹

On 18-22 June 2012, Indonesia participated in the UNCAC Implementation Review Group in Vienna,¹⁰⁸² where the Executive Summaries of the Review of Implementation of the UNCAC were released. The Executive Summaries included recommendations for further strengthening and amending of Indonesia’s existing legal system.¹⁰⁸³

On 23-24 October 2012, Indonesia participated in the 11th Regional Seminar of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific and the Government Inspectorate of Vietnam on Tracing Illicit Flows, Asset Recovery and Asset Disclosure.¹⁰⁸⁴

¹⁰⁷⁸ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 14 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁰⁷⁹ Indonesia, Asia/Pacific Group on Money Laundering (APG) (Bangkok) August 1999. Date of Access: 14 January 2013.

<http://www.apgml.org/apg-members/default.aspx?JurisdictionID=10>.

¹⁰⁸⁰ Open Government Partnership (OGP) (Washington D.C.) 20 September 2011. Date of Access: 14 January 2013. <http://www.opengovpartnership.org/about>.

¹⁰⁸¹ Brazil publishes OGP Action Plan Implementation Assessment for Public Comment, Open Government Partnership (OGP) (Washington D.C.) 12 November 2012. Date of Access: 14 January 2013.

<http://www.opengovpartnership.org/news/brazil-publishes-ogp-action-plan-implementation-assessment-public-comment>.

¹⁰⁸² Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Convention against Corruption (Vienna) 22 June 2012. Date of Access: 1 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹⁰⁸³ Executive Summaries, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 14 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1187232e.pdf>.

¹⁰⁸⁴ ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, Asian Development Bank/ Organization for Cooperation and Development (Hanoi) 23-24 October 2012. Date of Access: 11 January 2013.

On 4 December 2012, Directorate General of Tax (DJP) commemorated the International Anti-Corruption Day in the Head Office of DJP, Jakarta. At this event, the charter conducted by Director General of Tax Fuad Rahmany and Secretary Directorate General of Tax Dedi Rudaedi, was signed — “a manifestation of the DJP’s commitment in supporting the prevention and eradication of corruption.”¹⁰⁸⁵

On 27 December 2012, Chairman of the Corruption Eradication Commission (KPK) of Indonesia Abraham Samad announced that “the anti-graft body, [the KPK], had produced a road map that would be used as the main reference in dealing with grand corruption [...]”¹⁰⁸⁶ This road map is meant to guide the prosecution of perpetrators, as well as prevent future cases of corruption. The chairman stated that KPK will “focus on tackling the large-scale corruption as well as national integrity and fraud control systems.”¹⁰⁸⁷

On 27 September 2012, Secretary-General of the OECD Angel Gurría presented the OECD Economic Survey of Indonesia and signed a Framework of Cooperation Agreement. Secretary-General Gurría presented the OECD Regulatory Reform Review of Indonesia together with Armida Salsiah Alisjahbana, the minister of national development planning.¹⁰⁸⁸ In his speech, Secretary-General Gurría stated that “Indonesia’s recent economic performance has been remarkable [...], corruption is still an issue [...]”¹⁰⁸⁹ Mr. Gurría emphasized the importance of focusing on improving governance, as reform implementation and development “will not be possible under the country’s current complex, disorderly policy-making process,” noting that the OECD’s Regulatory Reform Review for Indonesia should provide helpful guidance in this issue.¹⁰⁹⁰

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/11thRegSeminarPressRelease.pdf>.

¹⁰⁸⁵ DJP Commemorated World Anti-Corruption Day, Republic of Indonesia Ministry of Finance, (Jakarta) 5 December 2012. Date of Access: 1 January 2013.

http://www.depkeu.go.id/Eng/Read/?type=ixNews&id=25390&thn=2012&name=en_05122012_1.htm.

¹⁰⁸⁶ KPK Ready for more Challenges, The Jakarta Post (Jakarta) 28 December 2012. Date of Access: 1 January 2013.

<http://www.thejakartapost.com/news/2012/12/28/kpk-ready-more-challenges.html>.

¹⁰⁸⁷ KPK Ready for more Challenges, The Jakarta Post (Jakarta) 28 December 2012. Date of Access: 1 January 2013.

<http://www2.thejakartapost.com/news/2012/12/28/kpk-ready-more-challenges.html>.

¹⁰⁸⁸ Official Visit of the OECD Secretary-General to Indonesia, Organization for Economic Cooperation and Development (Paris) 27-28 September 2012. Date of Access: 30 December 2012.

<http://www.oecd.org/indonesia/officialvisitoftheoecdsecretary-generaltoindonesiajakarta27th-28thseptember2012.htm>.

¹⁰⁸⁹ Remarks by OECD Secretary-General Angel Gurría at the Roundtable Discussion at the Indonesia Centre for Strategic and International Studies (CSIS): Keeping up the Reform Effort for Stronger, Cleaner and Fairer Growth in Indonesia, Organization for Economic Cooperation and Development (Paris) 28 September 2012. Date of Access: 30 December 2012.

<http://www.oecd.org/about/secretary-general/keepingupthereformeffortforstrongercleanerandfairergrowthinindonesia.htm>.

¹⁰⁹⁰ Remarks by OECD Secretary-General Angel Gurría at the Roundtable Discussion at the Indonesia Centre for Strategic and International Studies (CSIS): Keeping up the Reform Effort for Stronger, Cleaner and Fairer Growth in Indonesia, Organization for Economic Cooperation and Development (Paris) 28 September 2012. Date of Access: 30 December 2012.

<http://www.oecd.org/about/secretary-general/keepingupthereformeffortforstrongercleanerandfairergrowthinindonesia.htm>.

On 19 October 2012, the Financial Action Task Force (FATF) in its Public Statement recognized Indonesia among the countries with strategic deficiencies in their AML/CFT standards that can put at risk the international financial system and encouraged for greater compliance.¹⁰⁹¹ More specifically, the Report mentioned that Indonesia has not made sufficient progress in implementing its action plan and it should take further steps to address deficiencies in relation to: (1) the criminalization of terrorist financing; (2) establishment and implementation of procedures regarding identifying and freezing assets of terrorism; (3) amendment and implementation of laws in order to fully implement the Terrorist Financing Convention.¹⁰⁹²

On 25 January 2013, a delegation led by Ambassador and Permanent Representative of the Republic of Indonesia to the United Nations Office on Drugs and Crime (UNODC) Rachmat Budiman visited the International Anti-Corruption Academy (IACA) in Vienna. Both parties expressed their commitment to combat corruption, and their confidence in a successful future cooperation.¹⁰⁹³

On 29 January 2013, Transparency International released its Government Defence Anti-Corruption Index, placing Indonesia in Band E, among countries with a very high risk of corruption.¹⁰⁹⁴ Deputy Chairman of House Commission I Ramadhan Pohan, which oversees defense issues, questioned the published results as “baseless.”¹⁰⁹⁵

On 12 February 2013, the Indonesian legislature passed a Bill on fighting terrorism financing. According to the new legislation, the government will have the authority to freeze bank accounts and seize assets, whereas the Financial Transaction and Reports and Analysis Center (PPATK) will focus on cutting off funding to terrorists.¹⁰⁹⁶ Under the new law, financial institutions also have an obligation to report any suspicious transactions. Furthermore, the government is working on amendments to the country’s antiterrorism legislation.¹⁰⁹⁷

¹⁰⁹¹ Indonesia, FATF Public Statement, Financial Action Task Force (FATF) (Paris) 19 October 2012. Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/countries/d-i/indonesia/documents/fatfpublicstatement-19october2012.html>.

¹⁰⁹² Indonesia, FATF Public Statement, Financial Action Task Force (FATF) (Paris) 19 October 2012. Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/countries/d-i/indonesia/documents/fatfpublicstatement-19october2012.html>.

¹⁰⁹³ IACA welcomes Indonesian delegation, International Anti-Corruption Academy (Luxemburg) 25 January 2013. Date of Access: 7 February 2013.

http://www.iaca.int/index.php?option=com_content&view=article&id=99&Itemid=91.

¹⁰⁹⁴ 70% of Governments Fail To Protect Against Corruption in The Defence Sector, Transparency International (London) 29 January 2013. Date of Access: 11 February 2013.

http://www.transparency.org/news/pressrelease/70_of_governments_fail_to_protect_against_corruption_in_the_defence_sector.

¹⁰⁹⁵ Disputes on Indonesia’s Defense Corruption Index, The Jakarta Globe (Jakarta) 31 January 2013. Date of Access: 7 February 2013.

<http://www.thejakartaglobe.com/home/disputes-on-indonesias-defense-corruption-index/568636>.

¹⁰⁹⁶ Indonesia Takes Aim at Financing of Terrorism, Wall Street Journal (New York) 12 February 2013. Date of Access: 2 July 2013.

<http://online.wsj.com/article/SB10001424127887323511804578299911897063222.html>.

¹⁰⁹⁷ Indonesia Takes Aim at Financing of Terrorism, Wall Street Journal (New York) 12 February 2013. Date of Access: 2 July 2013.

<http://online.wsj.com/article/SB10001424127887323511804578299911897063222.html>.

On 23 April 2013, Indonesia released its first Extractive Industries Transparency Initiative (EITI) Report in an effort to improve transparency in the field of resource extraction.¹⁰⁹⁸ Indonesia is the first ASEAN member to publish data on state revenue from companies involved in the extractive industry. Indonesia's Member on the EITI International Board Erry Riyana Hardjapamekas stated: "With the issuance of Indonesia's first EITI report, the government has reached a milestone in transparency in order to achieve a more open and accountable system of governance."¹⁰⁹⁹

On 29 May 2013, PPATK Chairman Muhammad Yusuf announced that a Memorandum of Understanding will soon be signed between the Center and its Singaporean counterpart. The aim is to formalize and enhance cooperation between the two countries in retrieving stolen assets.¹¹⁰⁰ The two states have also signed an extradition treaty yet it has not been ratified to date.¹¹⁰¹

Indonesia has partially complied with its commitment to fight crime and corruption and therefore it has been awarded a score of 0.

Analyst: Mila Gavrilova
Lead Analyst: Eleni Tsaliki

Italy: 0

Italy has partially complied with the commitment to combat corruption by adopting a series of anti-corruption measures regarding whistleblower protection, harder sentences for convicted officials, tightening expenditure controls for political parties, and by actively engaging with the Anti-Bribery Working Group.

On 5 October 2009, Italy signed the United National Convention against Corruption (UNCAC). On 9 December 2003, Italy ratified it.¹¹⁰² On 15 December 2000, Italy ratified the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention.¹¹⁰³

Italy participated in a series of UNCAC meetings and Working Groups in Vienna from June to November 2012. On 18-22 June 2012, it participated in the UNCAC Implementation Review

¹⁰⁹⁸ First Indonesian Report on Extractive Industries Transparency Sees Release, Jakarta Post (Jakarta) 25 April 2013. Date of Access: 2 July 2013.

<http://www.thejakartaglobe.com/business/first-indonesian-report-on-extractive-industries-transparency-sees-release/>.

¹⁰⁹⁹ First Indonesian Report on Extractive Industries Transparency Sees Release, Jakarta Post (Jakarta) 25 April 2013. Date of Access: 2 July 2013.

<http://www.thejakartaglobe.com/business/first-indonesian-report-on-extractive-industries-transparency-sees-release/>.

¹¹⁰⁰ Ri, S'pore To Sign Mou On Asset Recovery, Jakarta Post (Jakarta) 30 May 2013. Date of Access: 2 July 2013. <http://www.thejakartapost.com/news/2013/05/30/ri-spore-sign-mou-asset-recovery.html>.

¹¹⁰¹ Ri, S'pore To Sign Mou On Asset Recovery, Jakarta Post (Jakarta) 30 May 2013. Date of Access: 2 July 2013. <http://www.thejakartapost.com/news/2013/05/30/ri-spore-sign-mou-asset-recovery.html>.

¹¹⁰² UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹¹⁰³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Cooperation and Development (Paris) 20 November 2012. Date of Access: 14 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

Group (Third) session¹¹⁰⁴. In August 2012, Italy was present at the UNCAC meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption.¹¹⁰⁵ On 22-23 October 2012, Italy participated in the UNCAC Meeting of Experts to Enhance International Cooperation.¹¹⁰⁶ On 14-16 November 2012, Italy partook in the UNCAC meeting of the Implementation Review Group.¹¹⁰⁷

On 31 October 2012, the Italian parliament approved the Provisions for the Prevention and Suppression of Corruption and Illegality in Public Administration. This new anti-corruption legislation includes measures such as the establishment of a national anti-corruption authority (implementing article 6 of UNCAC and articles 20 and 21 of the Criminal Law Convention on Corruption)¹¹⁰⁸, anonymity for whistleblowers, annual anti-corruption renewal plans, banning those convicted of corruption from running for office, and increased prison sentences and penalties for convicted officials.¹¹⁰⁹ Measures included in legislation directly respond to recommendations made in Italy's Phase 3 monitoring report found in the OECD Working Group on Bribery Annual Report 2011.¹¹¹⁰

In October 2012, the government also announced the establishment of an anti-corruption commissioner with investigative powers¹¹¹¹ as well as the reassertion of control of regional

¹¹⁰⁴Report of the Implementation Review Group on its resumed third session, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 14- 16 November 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/CacCospIrg2012-6Add1webversion.pdf>.

¹¹⁰⁵ Report on the meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption, United Nations Office on Drugs and Crime (Vienna) 7 September 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/V1255805e.pdf>.

¹¹⁰⁶ Report on the Meeting of Experts to Enhance International Cooperation under the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 24 October 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/EMInternationalCooperation/22-23October2012/V1256899e.pdf>.

¹¹⁰⁷ Report of the Implementation Review Group on its resumed third session, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 14- 16 November 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/CacCospIrg2012-6Add1webversion.pdf>.

¹¹⁰⁸ Italy: Anti-Corruption Law Adopted, The Law Library of Congress, (Washington D.C.) 7 November 2012. Date Accessed: 4 January 2013.

http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205403389_text.

¹¹⁰⁹ New Italy Law Tackles Rampant Corruption, Reuters (London) 30 October 2012. Date of Access: 4 January 2013.

<http://uk.reuters.com/article/2012/10/30/uk-italy-corruption-idUKBRE89T1MS20121030>.

¹¹¹⁰ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 29 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹¹¹¹ Italy: Anti-Corruption Law Adopted, The Law Library of Congress (Washington) 7 November 2012. Date Accessed: 4 January 2013.

http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205403389_text.

governments that have been involved in corruption allegations through constitutional amendments.¹¹¹²

On 28 November 2012, the Anti-Corruption Law entered into force. The new law is set to improve transparency in public sector, by strengthening the Criminal Code, introducing whistleblower protection and new measures to be adopted by public services, identifying risk areas particularly exposed to corruption, and by introducing new corruption-related offenses.¹¹¹³ Through the new legislation, a National Anti-Corruption Authority (Commissione Nazionale per la Valutazione, la Trasparenza e l'Integrità delle Amministrazioni Pubbliche — CIVIT) is established with a mandate to set general guidelines and assess causes and measures among others.¹¹¹⁴

On 22 February 2013, Italy provided its Biennial Update to the Mutual Evaluation Report (MER) of the Financial Action Task Force (FATF).¹¹¹⁵ The areas that Italy provided with updates were: (1) Suspicious Transaction Reports by Unità di Informazione Finanziaria (UIF); (2) domestic cooperation; (3) actions in banking, securities, and insurance sectors; (4) actions in law enforcement sectors; and (5) sanctions by the Ministry of Economy and Finance for infringement of AML/CFT preventive measures.¹¹¹⁶

On 5 March 2013, the Italian Guardia di Finanza held a workshop entitled “The fight against corruption in the international context.” The workshop was held at the School of Tax Police with Italian officials, EU officials, and international representatives from the OECD.¹¹¹⁷

On 7-8 March 2013, Italy participated at the Latin American Meeting on Private Sector Responsibility in the Fight Against Corruption.¹¹¹⁸ From 27-31 May 2013, Italian officials also participated in the Fourth Session of the Implementation Review Group in Vienna.¹¹¹⁹

¹¹¹² Italy: Anti-Corruption Law Adopted, The Law Library of Congress (Washington) 7 November 2012. Date Accessed: 4 January 2013.

http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205403389_text.

¹¹¹³ Italy's New Anti-Corruption Law, Lexology (London) 17 January 2013. Date of Access: 14 February 2013. <http://www.lexology.com/library/detail.aspx?g=36b5d961-2724-4026-8a67-33e18be0bb8a>.

¹¹¹⁴ Italy's New Anti-Corruption Law, Lexology (London) 17 January 2013. Date of Access: 14 February 2013. <http://www.lexology.com/library/detail.aspx?g=36b5d961-2724-4026-8a67-33e18be0bb8a>.

¹¹¹⁵ Italy FATF Mutual Evaluation Second Biennial Update, Financial Action Task Force (Paris) 22 February 2013. Date of Access: 29 June 2013.

<http://www.fatf-gafi.org/topics/mutualevaluations/documents/biennialupdatetothemutualevaluationofitaly.html>

¹¹¹⁶ Italy FATF Mutual Evaluation Second Biennial Update, Financial Action Task Force (Paris) 22 February 2013. Date of Access: 3 July 2013.

http://www.dt.tesoro.it/export/sites/sitodt/modules/documenti_it/prevenzione_reati_finanziari/prevenzione_reati_finanziari/FATF_-_Italyxs_Second_Biennial_Update_February_2013.pdf.

¹¹¹⁷ Eventi, Guardia di Finanza (Rome) 5 March 2013. Date of Access: 29 June 2013.

http://www.gdf.gov.it/GdF/it/Chi_siamo/Organizzazione/Reparti/Scuole/Post_formazione/Scuola_di_Polizi_a_Tributaria/Eventi/2013/info-62074416.html.

¹¹¹⁸ Summary Report Latin American Meeting on Private Sector Responsibility in the Fight Against Corruption, (Bogotá) 7-8 March 2013. Date of Access: 28 June 2013.

http://www.google.ca/url?q=http://www.oas.org/juridico/PDFs/enc_summary.pdf&sa=U&ei=uj_QUcCmKqaoywHZ6IG4Ag&ved=0CBwQFjAA&usq=AFQjCNEmV8QF9N8cLPR46Ni3mupUtjKlBw

¹¹¹⁹ Final List of Participants, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 27-31 May 2013. Date of Access: 28 June 2013.

On 31 May 2013, the Italian Council of Ministers approved draft legislation to eliminate public financing for political parties and to regulate the voluntary contributions made to them. The new rules are meant to further enhance transparency and expenditure control for political parties.¹¹²⁰

On 20 June 2013, the European Commission sent a Reasoned Opinion to Italy asking them to notify the transposition of The Directive on Administrative Cooperation, which aims to improve important tools for fighting tax evasion such as increasing transparency and tightening cross-border cooperation. Member States had a legal obligation to commence application of this Directive on 1 January 2013. If a satisfactory answer is not received in two months, the Commission may refer Italy to the EU's Court of Justice.¹¹²¹

Italy has ratified UNCAC and made steps towards its implementation, specifically tightened its national anti-corruption legislation. Thus Italy is awarded a score of 0.

Analyst: Benjamin Crase

Japan: -1

Japan has not complied with its commitment to combat crime and corruption, as it has neither ratified the United Nations Convention against Corruption (UNCAC) nor more actively engaged with the Organisation for Economic Co-operation and Development (OECD) Working Group on Bribery.

Japan signed the United Nations Convention against Corruption on 9 December 2003 but has not yet ratified it.¹¹²² Japan ratified the OECD Anti-Bribery Convention on 13 October 1998.¹¹²³ Japan is also a member of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific¹¹²⁴, the Financial Action Task Force (FATF)¹¹²⁵, and the Asia/Pacific Group on Money Laundering

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/27-31May2013/Final_list_of_participants.pdf.

¹¹²⁰ Italy: Draft Legislation to Eliminate Public Financing for Political Parties, The Law Library of Congress (Washington) 7 June 2013. Date of Access: 29 June 2013.

http://www.loc.gov/lawweb/servlet/lloc_news?disp1_l205403612_text.

¹¹²¹ Taxation: Commission demands that 5 Member States implement key EU rules against tax evasion, European Commission (Brussels) 20 June 2013. Date of Access: June 29 2013.

http://europa.eu/rapid/press-release_IP-13-572_en.htm.

¹¹²² UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 30 December 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹¹²³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 27 December 2012.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹¹²⁴ Formal Endorsement of the Anti-Corruption Action Plan for Asia-Pacific, ADB/OECD Anti-Corruption Initiative for Asia and the Pacific (Tokyo) 30 November 2001. Date of Access: 11 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/35112939.pdf>.

¹¹²⁵ Japan, Financial Action Task Force (FATF) (Paris) 1990. Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/countries/j-m/japan/>.

(APG).¹¹²⁶ It also holds an observer status with the Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL).¹¹²⁷

On 18-22 June,¹¹²⁸ 22-23 October,¹¹²⁹ and 14-16 November 2012,¹¹³⁰ Japan participated as an observer state in three sessions of the UNCAC Implementation Review Group.

On 23-24 October 2012, it participated in the 11th Regional Seminar of the Asian Development Bank (ADB)/OECD Anti-Corruption Initiative for Asia and the Pacific and the Government Inspectorate of Vietnam on Tracing Illicit Flows, Asset Recovery and Asset Disclosure.¹¹³¹

On 24 September 2012, Japan's Minister of Foreign Affairs Koichiro Gemba issued a statement at the side-event of the first High Level Meeting on the Rule of Law. According to the minister, Japan is committed to the anti-corruption effort and will contribute to enhance global cooperation in curbing corruption.¹¹³² The Japanese government will also continue to support the activities of the United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI)¹¹³³ and the United Nations Office on Drugs and Crime (UNODC).¹¹³⁴ However, the statement did not explicitly refer to the UNCAC or its ratification.

¹¹²⁶ Japan, Asia/Pacific Group on Money Laundering (APG) (Bangkok) 1997. Date of Access: 14 January 2013. <http://www.apgml.org/apg-members/default.aspx?JurisdictionID=11>.

¹¹²⁷ Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL), Council of Europe (Brussels) 1997. Date of Access: 14 January 2013. http://www.coe.int/t/dghl/monitoring/moneyval/About/MONEYVAL_in_brief_en.asp.

¹¹²⁸ Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group United Nations Convention against Corruption (Vienna) 19 July 2012. Date of Access: 2 January 2013. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1254853e.pdf>.

¹¹²⁹ Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group United Nations Convention against Corruption (Vienna) 24 October 2012. Date of Access: 2 January 2013. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/EMInternationalCooperation/22-23October2012/FINAL_List_of_Participants_EM_IntCoop_22-23_Oct_2012.pdf.

¹¹³⁰ Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group United Nations Convention against Corruption (Vienna) 16 November 2012. Date of Access: 2 January 2013. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/Final_List_of_Participants.pdf.

¹¹³¹ ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, Asian Development Bank/ Organization for Cooperation and Development (Hanoi) 23-24 October 2012. Date of Access: 11 January 2013. <http://www.oecd.org/site/adboecdanti-corruptioninitiative/11thRegSeminarPressRelease.pdf>

¹¹³² Statement by Minister of Foreign Affairs Koichiro Gemba at the High Level Meeting on the Rule of Law, Side Event "The Fight against Corruption and its Impact on Sustainable Economic Growth" Ministry of Foreign Affairs of Japan (Tokyo) 24 September 2012. Date of Access: 2 January 2013. http://www.mofa.go.jp/policy/inter_law/law/statement_1209.html.

¹¹³³ United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI) (Tokyo) Date of Access: 14 January 2013. <http://www.unafei.or.jp/english/>.

On 30 January 2013, as a measure to combat the financing of terrorism, the Japanese government imposed asset-freezing measures on Taliban-associated entity subjects and others designated by the United Nations Security Council Sanctions Committee.¹¹³⁵

On 5 June 2013, Foreign Policy Deputy Vice-Minister Kenji Hiramatsu, held the first Japan-United Nations Office on Drugs and Crime (UNODC) Strategic Policy Dialogue with Yury Fedotov, the executive director of UNODC.¹¹³⁶ In the meeting, Deputy Vice-Minister Hiramatsu and Executive Director Fedotov discussed future cooperation in areas of countering international organized crime, corruption, and terrorism.¹¹³⁷

On 18 June 2013, the Ministry of Foreign Affairs released the Japan Action Plan to Prevent the Misuse of Companies and Legal Arrangement. This plan recognized the importance of adopting AML/CFT measures in accordance with the revised FATF standards on enhancing global cooperation in combating money laundering and terrorist financing.¹¹³⁸ Specifically, Japan intends to implement seven measures that jointly help to improve corporate transparency and repress illicit activities.¹¹³⁹

On 21 June 2013, the Japanese government announced its plan to conduct a comprehensive assessment of domestic money laundering activities.¹¹⁴⁰ A task force comprising members of the Finance Ministry, the Financial Services Agency, the National Police Agency, and other government ministries will be set up to carry out the review.¹¹⁴¹ In addition, the government intends to implement new countermeasures and legislations to prevent financial transactions deemed illicit overseas.¹¹⁴²

¹¹³⁴ Statement by Minister of Foreign Affairs Koichiro Gemba at the High Level Meeting on the Rule of Law, Side Event "The Fight against Corruption and its Impact on Sustainable Economic Growth" Ministry of Foreign Affairs of Japan (Tokyo) 24 September 2012. Date of Access: 2 January 2013.
http://www.mofa.go.jp/policy/inter_law/law/statement_1209.html.

¹¹³⁵ Addition of a Taliban-associated Entity Subject to Asset-freezing Measures, Ministry of Economy, Trade and Industry (Tokyo) 30 January 2013. Date of Access: 8 February 2013.
http://www.meti.go.jp/english/press/2013/0129_02.html.

¹¹³⁶ Japan-United Nations Office on Drugs and Crime (UNODC) Strategic Policy Dialogue, Ministry of Foreign Affairs of Japan (Tokyo) 4 June 2013. Date of Access: 27 June 2013.
http://www.mofa.go.jp/press/release/press3e_000003.html.

¹¹³⁷ Japan-United Nations Office on Drugs and Crime (UNODC) Strategic Policy Dialogue, Ministry of Foreign Affairs of Japan (Tokyo) 4 June 2013. Date of Access: 27 June 2013.
http://www.mofa.go.jp/press/release/press3e_000003.html.

¹¹³⁸ Japan Action Plan to Prevent the Misuse of Companies and Legal Arrangement, Ministry of Foreign Affairs of Japan (Tokyo) 18 June 2013. Date of Access: 26 June 2013.
<http://www.mofa.go.jp/files/000006562.pdf>.

¹¹³⁹ Japan Action Plan to Prevent the Misuse of Companies and Legal Arrangement, Ministry of Foreign Affairs of Japan (Tokyo) 18 June 2013. Date of Access: 26 June 2013.
<http://www.mofa.go.jp/files/000006562.pdf>.

¹¹⁴⁰ Japan to Crack Down on Money Laundering, China Centre for Anti-Money Laundering Studies (Beijing) 21 June 2013. Date of Access: 26 June 2013.
<http://www.ccamls.org/article.aspx?id=4383a3887a2d41e484e213c84253f743>.

¹¹⁴¹ Japan to Crack Down on Money Laundering, China Centre for Anti-Money Laundering Studies (Beijing) 21 June 2013. Date of Access: 26 June 2013.
<http://www.ccamls.org/article.aspx?id=4383a3887a2d41e484e213c84253f743>.

¹¹⁴² Japan to Crack Down on Money Laundering, China Centre for Anti-Money Laundering Studies (Beijing) 21 June 2013. Date of Access: 26 June 2013.

Although actively pursuing anti-corruption policies domestically and internationally, Japan receives a score of -1 for not ratifying the UNCAC.

Analyst: Maggie Shi

Korea: 0

Korea has partially complied with its commitment to combat corruption through the ratification and partial implementation of the United Nations Convention against Corruption (UNCAC), and active engagement with the Organisation for Economic Co-operation and Development (OECD) Working Group on Bribery.

Korea has ratified the United Nations Convention against Corruption (UNCAC) on 27 March 2008.¹¹⁴³ On 4 January 1999, Korea ratified the OECD Anti-Bribery Convention.¹¹⁴⁴ Korea is also a member of the Financial Action Task Force (FATF)¹¹⁴⁵ and the Asia/Pacific Group on Money Laundering (APG).¹¹⁴⁶

Korea participated in the sessions of the UNCAC Implementation Review Group in Vienna on 18-22 June 2012¹¹⁴⁷, 27-29 August 2012¹¹⁴⁸, 30-31 August 2012¹¹⁴⁹, and 14-16 November 2012¹¹⁵⁰. On 23-24 October 2012, Korea also participated in the 11th Regional Seminar of the

<http://www.ccamls.org/article.aspx?id=4383a3887a2d41e484e213c84253f743>.

¹¹⁴³ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 3 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹¹⁴⁴ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 27 December 2012.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹¹⁴⁵ Korea, Financial Action Task Force (FATF) (Paris) 16 October 2009. Date of Access: 30 January 2013.

<http://www.fatf-gafi.org/countries/j-m/korea/>.

¹¹⁴⁶ Republic of Korea, Asia/Pacific Group on Money Laundering (APG) (Bangkok) March 1998. Date of Access: 3 January 2013.

<http://www.apgml.org/apg-members/default.aspx?JurisdictionID=12>.

¹¹⁴⁷ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 3 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹¹⁴⁸ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 29 August 2012. Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Final_LOP.pdf.

¹¹⁴⁹ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 31 August 2012, Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/Final_LOP.pdf.

¹¹⁵⁰ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 16 November 2012. Date of Access: 3 January 2013

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/Final_List_of_Participants.pdf.

Asian Development Bank (ADB)/OECD Anti-Corruption Initiative for Asia and the Pacific and the Government Inspectorate of Vietnam on Tracing Illicit Flows, Asset Recovery and Asset Disclosure.¹¹⁵¹

On 29 August 2012, Korea's Anti-Corruption and Civil Rights Commission (ACRC) extended its Memorandum of Understanding (MoU) with the Vietnamese Office of the Central Steering Committee for Anti-Corruption for three more years.¹¹⁵²

On 2 July 2012, the ACRC organized a two-week training seminar for Columbian government officials to help build their anti-corruption capacity.¹¹⁵³

On 10 July 2012, the ACRC received a United Nations Public Service Award in recognition for their integrity assessment.¹¹⁵⁴

On 12 July 2012, the ACRC released a list of recommendations of effective anti-corruption measures to local government-funded organizations.¹¹⁵⁵

From June to August 2012, the ACRC organized three rounds of expert workshops for the development of the Ethical Management Model by Business Type.¹¹⁵⁶

In July 2012, the Ministry of Public Administration and Security, in its effort to introduce a mandatory Integrity Pact system, announced the amendment of the Act on Contracts to Which the Local Government is a Party.¹¹⁵⁷

¹¹⁵¹ ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, Asian Development Bank/ Organization for Cooperation and Development (Hanoi) 23-24 October 2012. Date of Access: 11 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/11thRegSeminarPressRelease.pdf>.

¹¹⁵² Korea and Vietnam to Step up Cooperation in Fighting against Corruption, Civil Rights Commission, (Seoul) 29 August 2012. Date of Access: 3 January 2013

<http://www.korea.net/Government/Briefing-Room/Press-Releases/view?articleId=1581>.

¹¹⁵³ Columbian Officials Learn about Korea's Anti-Corruption Strategies, Civil Rights Commission (Seoul) 29 August 2012. Date of Access: 3 January 2013.

<http://www.korea.net/Government/Briefing-Room/Press-Releases/view?articleId=1580>.

¹¹⁵⁴ Korea's UN Award-Winning E-Government Goes Borderless, Korea Net (Seoul) 10 July 2012. Date of Access: 3 January 2013.

<http://www.korea.net/NewsFocus/Policies/view?articleId=101133>.

¹¹⁵⁵ ACRC Offers Recommendations for Preventing Corruption at the Local Government-Funded Organizations, Civil Rights Commission (Seoul) 12 July 2012. Date of Access: 3 January 2013.

http://www.acrc.go.kr/eng_index.html.

¹¹⁵⁶ Compilation of Written Reports by Steering Group Members on Recent Developments and Activities ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, (Hanoi) 23-24 October 2012. Date of Access: 13 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/SG17StepsTakenToImplementAnti-CorruptionPlan&UNCAC.pdf>.

¹¹⁵⁷ Compilation of Written Reports by Steering Group Members on Recent Developments and Activities ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, (Hanoi) 23-24 October 2012. Date of Access: 13 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/SG17StepsTakenToImplementAnti-CorruptionPlan&UNCAC.pdf>.

In June 2012, the ACRC identified ten best practices on the implementation of the Code of Conduct for Public Officials such as the “issuance of a corruption watch” distributing promotional material to its public organizations.¹¹⁵⁸

On 28 July 2012, Korea’s President Park Geun-hye expressed her strong views on the problem of corruption among government officials: “[...] I will create a clean government; [...] I will become a president who will break the cycle of corruption.”¹¹⁵⁹

On 16 August 2012, the ACRC stated an intention to “toughen its crackdown on public officials involved in irregularities as part of efforts to root out corruption in the public sector and to regain people’s trust.”¹¹⁶⁰ The ACRC proposed a new bill, tentatively named “Anti-Corruption and Conflicts of Interests Act,” which would increase punishment for bribery and corruption.¹¹⁶¹

On 22 August 2012, the ACRC announced the Bill on the Prohibition of Illegal Solicitations and the Prevention of Conflicts of Interest of Public Officials. Under the new legislation public officials, who receive money or any other item of value, will face criminal charges regardless of the relationship between the public official’s duties and the bribery.¹¹⁶²

In January 2013, the National Tax Service, in compliance with its commitment to the OECD Anti-Bribery Convention, will revise its internal regulations, making the examination of violations of the OECD Convention mandatory.¹¹⁶³

On 16 January 2013, Korea and Malaysia signed an extradition treaty for the repatriation of wanted criminals, combat cross-border crime, and exchange intelligence information. Both countries expect to strengthen their bilateral ties through this treaty.¹¹⁶⁴

¹¹⁵⁸Compilation of Written Reports by Steering Group Members on Recent Developments and Activities ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, (Hanoi) 23-24 October 2012. Date of Access: 13 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/SG17StepsTakentoImplementAnti-CorruptionPlan&UNCAC.pdf>.

¹¹⁵⁹Park Geun-Hye Pledges to Root Out Corruption, Yonhap News, (Seoul) 28 July 2012. Date of Access: 3 January 2013.

<http://english.yonhapnews.co.kr/national/2012/07/28/86/0301000000AEN20120728002200315F.HTML>.

¹¹⁶⁰Gov’t Puts Forth Anti-Corruption Bill for Civil Servants, Yonhap News (Seoul) 16 August 2012. Date of Access: 3 January 2013.

<http://english.yonhapnews.co.kr/national/2012/08/16/86/0301000000AEN20120816002251315F.HTML>.

¹¹⁶¹Gov’t Puts Forth Anti-Corruption Bill for Civil Servants, Yonhap News (Seoul) 16 August 2012. Date of Access: 3 January 2013.

<http://english.yonhapnews.co.kr/national/2012/08/16/86/0301000000AEN20120816002251315F.HTML>.

¹¹⁶²Compilation of Written Reports by Steering Group Members on Recent Developments and Activities ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, (Hanoi) 23-24 October 2012. Date of Access: 13 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/SG17StepsTakentoImplementAnti-CorruptionPlan&UNCAC.pdf>.

¹¹⁶³Compilation of Written Reports by Steering Group Members on Recent Developments and Activities ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and the Government Inspectorate of Vietnam, (Hanoi) 23-24 October 2012. Date of Access: 13 January 2013.

<http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/SG17StepsTakentoImplementAnti-CorruptionPlan&UNCAC.pdf>.

In April 2013, the Anti-Corruption and Civil Rights Commission (ACRC) announced that they would be pushing to enact a bill — tentatively named the Anti-Corruption and Conflicts of Interests Act — for persecution of civil servants suspected of corruption.¹¹⁶⁵

Although has not fully implemented the UNCAC yet, Korea has actively sought international cooperation and made progress in its fight against crime and corruption by drafting new legislations and recommendations as well as receiving recognition from the United Nations for its effort in combating crime and corruption among its civil servants. Thus Korea has partially complied with the commitment and is awarded a score of 0.

Analyst: Jihae Jang
Lead Analyst: Eleni Tsaliki

Mexico: 0

Mexico has partially complied with its commitment to combat crime and corruption. Mexico is working towards the implementation of the United Nations Convention against Corruption (UNCAC) and has been involved with the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Working Group.

Mexico ratified the UNCAC on 20 July 2004¹¹⁶⁶ and the OECD Anti-Bribery Convention on 27 May 1999.¹¹⁶⁷ Mexico is a member of the Financial Action Task Force (FATF)¹¹⁶⁸, the Financial Action Task Force of South America against Money Laundering (GAFISUD).¹¹⁶⁹ It holds an observer status with the Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL)¹¹⁷⁰, and is one of the Co-operating and Supporting Nations (COSUNs) of the Caribbean Financial Action Task Force (CFATF).¹¹⁷¹

On 26 June 2012, the Secretariat of Public Function (SFP), which oversees matters of corruption in Mexico, participated in the United Nations Capacity Building Workshop on Prevention of

¹¹⁶⁴ Malaysia and South Korea Sign Extradition Pact, The Star (Kuala Lumpur) 17 January 2013. Date of Access: 14 February 2013.

<http://thestar.com.my/news/story.asp?file=/2013/1/17/nation/20130117224635&sec=nation>.

¹¹⁶⁵ Gov't to Push for Anti-Corruption Bill for Civil Servants, Yonhap News Agency (Seoul) 8 April 2013. Date of Access: 22 June 2013.

<http://english.yonhapnews.co.kr/news/2013/04/08/0200000000AEN20130408002200315.HTML>.

¹¹⁶⁶ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 30 December 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹¹⁶⁷ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 27 December 2012.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹¹⁶⁸ Mexico, Financial Action Task Force (FATF) (Paris) 2000. Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/countries/j-m/mexico/>.

¹¹⁶⁹ Financial Action Task Force of South America against Money Laundering (GAFISUD) (Buenos Aires) 2000. Date of Access: 14 January 2013.

<http://www.gafisud.info/eng-miembros.php?p=Mexico>.

¹¹⁷⁰ Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL), Council of Europe (Brussels) 1997. Date of Access: 14 January 2013.

http://www.coe.int/t/dghl/monitoring/moneyval/About/MONEYVAL_in_brief_en.asp.

¹¹⁷¹ Caribbean Financial Action Task Force (CFATF) Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/pages/caribbeanfinancialactiontaskforcecfatf.html>.

Corruption in Public Administration. The SFP shared with international specialists its anti-corruption experience and emphasized the importance of citizen involvement in combating corrupt practices.¹¹⁷²

From 9 to 12 October 2012, Mexico participated in the plenary meeting of the OECD Working Group on Bribery in France. There, the Mexican government discussed its recent adoption of the Federal Law on Public Procurement Corruption, which empowered the SFP to investigate and punish acts of corruption in both national and international public procurement processes.¹¹⁷³

On 7 November 2012, the Congress of Mexico passed a disclosure law that obliges all government officials to publish clear, public accounts of local spending.¹¹⁷⁴ Experts in Mexico described the law as a milestone in curbing potential opportunities for corruption at the state and municipal levels.¹¹⁷⁵

On 18 September 2012, at the fourth meeting of the Merida Initiative High-Level Consultative Group, Mexico and the United States agreed to increase their efforts in a combat against transnational organized crime, including money laundering, and arms trafficking.¹¹⁷⁶ At the meeting, Mexico committed to continue to work on increasing the transparency and accountability of public institutions, as well as fighting corruption through institutional restructuring, enhanced training, and employing internal controls for law enforcement forces.¹¹⁷⁷

¹¹⁷² Comparte Mexico en la Onu, a Traves de SFP, Experiencias en Combate a la Corrupcion, Rendicion de Cuentas y Transparencia, Secretaria de la Funcion Publica (Mexico City) 26 June 2012. Date of Access: 27 December 2012. <http://portal.funcionpublica.gob.mx/index.php/sala-de-prensa/junio-2012/nota-260612.html>.

¹¹⁷³ Presenta Mexico Ante OCDE Avances en Recomendaciones Emitidas por Grupo Anticohecho Internacional, Secretaria de la Funcion Publica (Mexico City) 12 October 2012. Date of Access: 27 December 2012. <http://portal.funcionpublica.gob.mx/index.php/sala-de-prensa/octubre-2012/comunicado-121012-2.html>.

¹¹⁷⁴ Disclosure Law Passed on Mexican Finances, The Financial Times (London) 7 November 2012. Date of Access: 27 December 2012. <http://www.ft.com/intl/cms/s/0/1c8c2c34-286d-11e2-a335-00144feabdc0.html#axzz2HEiCVK00>.

¹¹⁷⁵ Disclosure Law Passed on Mexican Finances, The Financial Times (London) 7 November 2012. Date of Access: 27 December 2012. <http://www.ft.com/intl/cms/s/0/1c8c2c34-286d-11e2-a335-00144feabdc0.html#axzz2HEiCVK00>.

¹¹⁷⁶ Joint Statement of the Merida Initiative High-Level Consultative Group on Bilateral Cooperation against Transnational Criminal Organizations Fourth Meeting, Ministry of Foreign Affairs (Mexico City) 18 September 2012. Date of Access: 27 December 2012. http://www.sre.gob.mx/en/index.php?option=com_content&view=article&id=1666:joint-statement-of-the-merida-initiative-high-level-consultative-group-on-bilateral-cooperation-against-transnational-criminal-organizations-fourth-meeting-september-18-2012&catid=27:archives&Itemid=64.

¹¹⁷⁷ Joint Statement of the Merida Initiative High-Level Consultative Group on Bilateral Cooperation against Transnational Criminal Organizations Fourth Meeting, Ministry of Foreign Affairs (Mexico City) 18 September 2012. Date of Access: 27 December 2012. http://www.sre.gob.mx/en/index.php?option=com_content&view=article&id=1666:joint-statement-of-the-merida-initiative-high-level-consultative-group-on-bilateral-cooperation-against-transnational-criminal-organizations-fourth-meeting-september-18-2012&catid=27:archives&Itemid=64.

On 23 July 2012, the Mexican government made public the new Regulations of the Organic Law of the Office of the Attorney General where new units under the aegis of the Deputy Attorney Office against Organised Crime (SIEDO) would be established.¹¹⁷⁸

On 17 October 2012, the Federal Law for the Prevention and Identification of Transactions with Proceeds of Illegal Origin (Anti-Money Laundering Law) was published in the Federal Official Gazette.¹¹⁷⁹ The purpose of the new law is to establish rules and procedures for the prevention and detection of transactions or activities involving illegal proceeds and proceeds used to fund organised crime, imposing obligations with the administration and penalties in case of non-compliance.¹¹⁸⁰

On 19 July 2012, the Secretariat of Finance and Public Credit (SHCP) issued General Provisions applicable to insurance and bonding companies with the aim of updating prevention obligations against Money Laundering/ Terrorist Financing (ML/TF).¹¹⁸¹

On 16 January 2013, President Enrique Peña Nieto and members of his cabinet submitted their Assets Declaration in compliance with the Federal Law of Responsibilities for Civil Servants.¹¹⁸² In his address to the Senate members and opposition parties, the president promoted bills to establish the National Anti-Corruption Commission and to expand the faculties of the Federal Institute of Access to Information and Data Protection (IFAI), which are designed to jointly combat corruption and ensure accountability in every order of the government.¹¹⁸³

On 5 February 2013, Julian Olivas Ugalde, the new undersecretary of Procurement and Administrative Responsibilities of the Secretariat of Public Function (SPF), participated in the meeting of the Joint Committee on Constitutional, Anti-corruption, and Citizenship of the State to discuss the creation of a new corruption-fighting agency.¹¹⁸⁴

¹¹⁷⁸ Mutual Evaluation of Mexico: Interim Follow-Up Report, Third Follow-Up Report, Financial Action Task Force (FATF), (Paris) 19 October 2012, Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/media/fatf/documents/reports/Interim%20Follow-up%20Report%20Mexico.pdf>.

¹¹⁷⁹ New Federal Anti-Money Laundering Law, Santa Marina STETA (Mexico City) 22 November 2012. Date of Access: 14 January 2013.

<http://www.s-s.com.mx/site/eng/?p=1508>.

¹¹⁸⁰ New Federal Anti-Money Laundering Law, Santa Marina STETA (Mexico City) 22 November 2012. Date of Access: 14 January 2013.

<http://www.s-s.com.mx/site/eng/?p=1508>.

¹¹⁸¹ Mutual Evaluation of Mexico: Interim Follow-Up Report, Third Follow-Up Report, Financial Action Task Force (FATF) (Paris) 19 October 2012, Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/media/fatf/documents/reports/Interim%20Follow-up%20Report%20Mexico.pdf>.

¹¹⁸² National Anti-Corruption Commission to Establish a Transparent Government: Enrique Pena Nieto, Presidencia de la Republica (Mexico City) 16 January 2013. Date of Access: 8 February 2013.

<http://en.presidencia.gob.mx/articulos-press/national-anti-corruption-commission-to-establish-a-transparent-government-enrique-pena-nieto/>.

¹¹⁸³ National Anti-Corruption Commission to Establish a Transparent Government: Enrique Pena Nieto, Presidencia de la Republica (Mexico City) 16 January 2013. Date of Access: 8 February 2013.

<http://en.presidencia.gob.mx/articulos-press/national-anti-corruption-commission-to-establish-a-transparent-government-enrique-pena-nieto/>.

¹¹⁸⁴ El Subsecretario de la SFP, Julian Olivas Ugalde, Asistio al Senado Para Analizar la Creacion de un Nuevo Organismo Anticorrupcion, Secretaria de la Funcion Publica (Mexico City) 6 February 2013. Date of Access: 8 February 2013.

<http://www.funcionpublica.gob.mx/index.php/sala-de-prensa/notas/nota-06-02-13.html>.

On 6 February 2013, the OECD published its Public Procurement Review of the Mexican Institute of Social Security and Services for State Workers (ISSSTE)¹¹⁸⁵ where it recognized deficiencies and made some key recommendations for the improvement of procurement, management, solicitation, integrity, and transparency procedures.¹¹⁸⁶

On 25 April 2013, the government of Mexico passed the country's first anti-corruption law, which will levy fines to foreigners and Mexican citizens guilty of corruption or bribery linked to public work contracts.¹¹⁸⁷ Under the new legislation, public servants will also be obliged to report illegal actions and omissions of which they are aware, and failing to do so could result in their punishment.

On 7 May 2013, President Enrique Peña Nieto signed the addendum to the Pact for Mexico, which not only ratifies the validity of the agreement but also expands its scope to include commitments to meet initiatives related to state transparency and fighting corruption.¹¹⁸⁸

On 18 June 2013, President Enrique Peña Nieto released a press statement in which he emphasized the importance of transparency. According to the statement, the Congress has already promoted two major bills, one to expand the constitutional anatomy of IFAI, and another for the creation of a National Anti-Corruption Commission.¹¹⁸⁹ The President stated that Mexico will co-chair the Alliance for Open Government in 2013.¹¹⁹⁰

Mexico has partially adhered to the provisions of the UNCAC through both international agreements and national regulations. Specifically, progress has been made in the areas of fighting

¹¹⁸⁵ OECD Public Procurement Review of the Mexican Institute of Social Security and Services for State Workers (ISSSTE), Organisation for Economic Cooperation and Development (Paris) 6 February 2013. Date of Access: 12 February 2013.
[http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH\(2013\)4&docLanguage=En](http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH(2013)4&docLanguage=En).

¹¹⁸⁶ OECD Public Procurement Review of the Mexican Institute of Social Security and Services for State Workers (ISSSTE), Organisation for Economic Cooperation and Development (Paris) 6 February 2013. Date of Access: 12 February 2013.
[http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH\(2013\)4&docLanguage=En](http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH(2013)4&docLanguage=En).

¹¹⁸⁷ Mexico Launches Anti-Corruption Law As Wal-Mart Scandal Worries Government, Forbes (New York) 27 April 2013. Date of Access: 26 June 2013.
<http://www.forbes.com/sites/ivancastano/2012/04/27/mexico-launches-anti-corruption-law-as-wal-mart-scandal-worries-government/>.

¹¹⁸⁸ The Pact for Mexico Remains in Force: Enrique Pena Nieto, Presidencia de la Republica (Mexico City) 7 May 2013. Date of Access: 27 June 2013.
<http://en.presidencia.gob.mx/articulos-press/the-pact-for-mexico-remains-in-force-enrique-pena-nieto/>.

¹¹⁸⁹ President Pena Nieto Shares Mexico's Actions Regarding Trade, Transparency, and Tax with World Leaders,, Presidencia de la Republica (Mexico City) 18 June 2013. Date of Access: 27 June 2013.
<http://en.presidencia.gob.mx/articulos-press/president-pena-nieto-shares-mexicos-actions-regarding-trade-transparency-and-tax-with-world-leaders/>.

¹¹⁹⁰ President Pena Nieto Shares Mexico's Actions Regarding Trade, Transparency, and Tax with World Leaders , Presidencia de la Republica (Mexico City) 18 June 2013. Date of Access: 27 June 2013.
<http://en.presidencia.gob.mx/articulos-press/president-pena-nieto-shares-mexicos-actions-regarding-trade-transparency-and-tax-with-world-leaders/>.

organized crime and increasing accountability of government officials.¹¹⁹¹ Thus, Mexico is awarded a score of 0.

Analyst: Maggie Shi

Russia: 0

Russia has partially complied with the commitment on corruption.

Russia ratified the UNCAC on 9 May 2006.¹¹⁹²

During the monitoring period Russia participated in all international meetings on UNCAC implementation (all held in Vienna):

- Meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption on 27-29 August 2012;¹¹⁹³
- Sixth Intersessional Meeting of the Open-ended Intergovernmental Working Group on Asset Recovery on 30-31 August 2012;¹¹⁹⁴
- First session of the Open-ended Intergovernmental Expert Meeting on International Cooperation on 22-23 October 2012;¹¹⁹⁵
- Resumed third session of the Implementation Review Group of the United Nations Convention against Corruption on 14-16 November 2012.¹¹⁹⁶

At the third session of the Implementation Review Group Russia presented three reports on:

- Implementation of article 12 of the UNCAC (Private sector), including the use of Public-Private Partnerships;¹¹⁹⁷

¹¹⁹¹ Mutual Evaluation of Mexico: Interim Follow-Up Report, Third Follow-Up Report, Financial Action Task Force (Paris) 19 October 2012, Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/media/fatf/documents/reports/Interim%20Follow-up%20Report%20Mexico.pdf>.

¹¹⁹² United Nations Convention against Corruption, UNCAC signature and ratification status as of 31 March 2011, United Nations Office on Drugs and Crime 31 March 2011.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>

¹¹⁹³ Open-ended Intergovernmental Working Group on the Prevention of Corruption Vienna, 27 to 29 August 2012. Final List of Participants, United Nations Office on Drugs and Crime.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Final_LOP.pdf.

¹¹⁹⁴ Open-ended Intergovernmental Working Group on Asset Recovery Vienna, 30-31 August 2012. Final List of Participants, United Nations Office on Drugs and Crime.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/Final_LOP.pdf.

¹¹⁹⁵ First session of the Open-ended Intergovernmental Expert Meeting on International Cooperation (Vienna, 22-23 October 2012). Final List of Participants, United Nations Office on Drugs and Crime. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/EMInternationalCooperation/22-23October2012/FINAL_List_of_Participants_EM_IntCoop_22-23_Oct_2012.pdf.

¹¹⁹⁶ Implementation Review Group. Resumed third session, Vienna, 14-16 November 2012. Final List of Participants, United Nations Office on Drugs and Crime.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/Final_List_of_Participants.pdf.

- Measures to implement the UNCAC in relation to conflicts of interest in the reporting of acts of corruption and the submission of declarations of income;¹¹⁹⁸
- Examples of successful anti-corruption measures taken by the federal bodies of the Russian Government (Prosecutor-General, Federal Security Service, Ministry of Internal Affairs, Ministry of Finance).¹¹⁹⁹

The Russian G20 Presidency has included the Denial of Safe Haven principles into its agenda. On 26 February 2013, the G20 Anti-Corruption Working Group agreed “to create a network to share information to ensure that those convinced of corruption can be denied entry to [G20] countries”.¹²⁰⁰ On 6-7 June 2013, at the second meeting of the G20 Anti-Corruption Working Group the Denial of Entry Network contact list was completed and the group agreed “to circulate it to the concerned officials within national governments”.¹²⁰¹ However, no facts that Russia has taken domestic actions in accordance with the ACWG principles have been registered.

Russia deposited its instrument of OECD Anti-Bribery Convention ratification on 17 February 2012.¹²⁰²

According to the Plan on Countering Corruption of the Russian Ministry of Justice adopted on 22 June 2012 the Ministry together with the Foreign Affairs Ministry ensures effective participation of Russia in the OECD Working Group on Bribery on the constant basis.¹²⁰³

On 25 July 2012, the Russian Presidential Anti-Corruption Council Presidium issued a directive “to the concerned federal state agencies to draft a plan for the second phase of monitoring” of Russia’s compliance with the OECD Anti-Bribery Convention within the framework of the OECD Working Group on Bribery.¹²⁰⁴

¹¹⁹⁷ Information materials on issues to be discussed at the third meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption, UN Office on Drugs and Crime (Vienna) 29 August 2012. Date of Access: 18 April 2013. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Responses_NVs_2012/20120716_Russia_English_1.pdf.

¹¹⁹⁸ Information materials on issues to be discussed at the third meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption, UN Office on Drugs and Crime (Vienna) 29 August 2012. Date of Access: 18 April 2013. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Responses_NVs_2012/20120716_Russia_English_1.pdf

¹¹⁹⁹ Information materials on issues to be discussed at the third meeting of the Open-ended Intergovernmental Working Group on the Prevention of Corruption, UN Office on Drugs and Crime (Vienna) 29 August 2012. Date of Access: 18 April 2013. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Responses_NVs_2012/20120716_Russia_English_1.pdf

¹²⁰⁰ The G20 Anti-Corruption Working Group specified its working plan for 2013, 26 February 2013. <http://en.g20russia.ru/news/20130226/781243304.html>.

¹²⁰¹ The Second G20 Anti-Corruption Working Group Meeting was held in Ottawa, 8 June 2013. <http://en.g20russia.ru/news/20130608/781435847.html>.

¹²⁰² Russia - OECD Anti-Bribery Convention, OECD. <http://www.oecd.org/daf/anti-bribery/russia-oecdanti-briberyconvention.htm>.

¹²⁰³ Order No. 121 of 22 June 2012, Russian Ministry of Justice 22 June 2012. <http://minjust.ru/ru/node/2409>.

¹²⁰⁴ Meeting of Presidential Anti-Corruption Council Presidium Russian President 25 July 2012. <http://eng.state.kremlin.ru/council/12/news/4252>.

On 10-14 December 2012, Russia participated in the OECD Working Group on Bribery meeting in Paris.¹²⁰⁵

Russia ratified the UNCAC and OECD Anti-Bribery Convention. Russia has taken some measures to implement UNCAC but not in all areas identified in the guidelines and engage with the OECD Working Group on Bribery. It has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with the commitment to fight crime and corruption. Saudi Arabia has recently ratified United Nations Convention against Crime (UNCAC) but not the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention.

On 9 January 2004, Saudi Arabia signed the UNCAC and ratified it on 29 April 2013.¹²⁰⁶ Saudi Arabia has not ratified the OECD Anti-Bribery Convention.¹²⁰⁷ Saudi Arabia is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF).¹²⁰⁸

On 11 September 2012, Saudi Arabia's capital, Riyadh, hosted a three-day symposium titled "Role and Responsibility of Public Prosecutors and Judicial Bodies in Combating Money Laundering and Terrorist Financing." The symposium was organized collaboratively by Saudi Arabia's Bureau of Investigation and Prosecution and the MENAFATF. The symposium's focus was on money laundering: specifically, banks' ability to detect and report fraud and suspicious transactions.¹²⁰⁹

On 9 March 2013, the Saudi Arabian Monetary Agency (SAMA) advised local banks and money exchange agencies to enhance their mechanisms on countering money laundering and terrorist financing. According to the Agency, banks should confirm client identities and inform authorities of any suspicious actions.¹²¹⁰

On 26-27 March 2013, Vice Governor of SAMA Dr. Abdulrahman Al-Hamidy, in a speech at the Fifth Annual Gathering on Compliance and Anti-Money Laundering, reiterated the Kingdom's

¹²⁰⁵ OECD Working Group Meeting Held, Russian Ministry of Justice. <http://minjust.ru/ru/node/2718>.

¹²⁰⁶ UNCAC Signature and Ratification Status as of 29 May 2013, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 3 January 2013. <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹²⁰⁷ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organization for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 3 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹²⁰⁸ Middle East and North Africa Financial Action Task Force (MENAFATF), Financial Action Task Force (FATF) (Paris) Date of Access: 3 January 2013. <http://www.fatf-gafi.org/pages/menafatf.html>.

¹²⁰⁹ Riyadh Symposium Combats Money Laundering and Terror Financing, Al-Shorfa (Jeddah) 11 September 2012. Date of Access: 25 January 2013. http://al-shorfa.com/en_GB/articles/meii/features/2012/09/11/feature-02.

¹²¹⁰ Saudi monetary agency urges local banks to counter terrorism financing, Al-Shorfa (Riyadh) 9 March 2013. Date of Access: 1 July 2013. http://al-shorfa.com/en_GB/articles/meii/newsbriefs/2013/03/09/newsbrief-07?change_locale=true.

commitment to combat money laundering.¹²¹¹ The Vice Governor also mentioned the First Follow-Up Report that Saudi Arabia submitted to the MENAFATF in February 2012. The Report included all new and updated legislations according to international standards.¹²¹² Dr. Abdulrahman Al-Hamidy stated: “The Kingdom will not hesitate to undertake all measures and means to attain the highest levels of quality and to meet International Anti-Money Laundering standards. I would like reiterate the importance of cooperation among relevant domestic, regional and international entities, intensifying efforts and exchanging technical information and expertise to detect, monitor and pinpoint Money Laundering operations.”¹²¹³

Saudi Arabia has very recently ratified the UNCAC as well as taken steps to promote anti-money laundering regulation domestically. However, Saudi Arabia has been actively engaged with the OECD Working Group on Bribery. Therefore, Saudi Arabia is awarded a score of 0.

*Analyst: Darya Kutovaya
Co-director of Compliance: Vera V. Gavrilova*

South Africa: 0

South Africa has partially complied with the commitment to eradicate crime and corruption by ratifying and partially implementing the United Nations Convention against Corruption (UNCAC). South Africa, however, has not been actively engaged with the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Working Group.

South Africa signed the UNCAC on 9 December 2003, and ratified it on 22 November 2004.¹²¹⁴ South Africa has acceded to the OECD Anti-Bribery Convention on 19 June 2007.¹²¹⁵ South

¹²¹¹ Address by Vice Governor Dr. Abdulrahman Al-Hamidy at the Fifth Annual Gathering on Compliance and Anti-Money Laundering, Saudi Arabian Monetary Agency (Riyadh) 26- 27 March 2013. Date of Access: 1 July 2013.

<http://www.sama.gov.sa/sites/samaen/News/Pages/TheFifthAnnualGatheringOnComplianceAndAnti-MoneyLaundering.aspx>.

¹²¹² Address by Vice Governor Dr. Abdulrahman Al-Hamidy at the Fifth Annual Gathering on Compliance and Anti-Money Laundering, Saudi Arabian Monetary Agency (Riyadh) 26- 27 March 2013. Date of Access: 1 July 2013.

<http://www.sama.gov.sa/sites/samaen/News/Pages/TheFifthAnnualGatheringOnComplianceAndAnti-MoneyLaundering.aspx>.

¹²¹³ Address by Vice Governor Dr. Abdulrahman Al-Hamidy at the Fifth Annual Gathering on Compliance and Anti-Money Laundering, Saudi Arabian Monetary Agency (Riyadh) 26- 27 March 2013. Date of Access: 1 July 2013.

<http://www.sama.gov.sa/sites/samaen/News/Pages/TheFifthAnnualGatheringOnComplianceAndAnti-MoneyLaundering.aspx>.

¹²¹⁴ UNCAC Signatures and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 28 December 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹²¹⁵ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organisation for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 21 January 2013.

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

Africa is a member of the Financial Action Task Force (FATF)¹²¹⁶ and of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).¹²¹⁷

On 18-22 June 2012, South Africa participated in the meeting of the UNCAC Implementation Review Group in Vienna.¹²¹⁸

On 5 December 2012, the 2012 Transparency International Corruption Perceptions Index rated South Africa as 69th out of 176 countries, which is a fall from the standing of 2011¹²¹⁹. In response, Executive Director of the Corruption Watch¹²²⁰ David Lewis noted the abundance of publicly announced concern for corruption; yet he pointed to the “[...] disjuncture between strong words and weak action.”¹²²¹ Mr. Lewis previously noted that the national crime statistics released by the parliament do not correctly define and identify corruption. Abuse of public resources is not accurately identified as corruption, and Section 34 of the Prevention and Combating of Corrupt Activities Act (Precca) is not enforced, leading to failure of those in position of authority to report corruption.¹²²²

On 10 December 2012, Chairperson of the National Anti-Corruption Forum Zwelinzima Vavi expressed his concern for insufficient law reinforcement. He emphasized the importance of “a zero-tolerance approach” to corruption, particularly in cases of private business dealing with governmental funds.¹²²³

On 18 January 2013, at the end of a two-day meeting in New Delhi, South Africa along with its BRICS counterparts (Brazil, Russia, India, and China) issued a joint communiqué identifying seven areas of tax policy and tax administration that could extend their cooperation, share capacity building, anti-avoidance and non-compliance practices and enhance the enforcement

¹²¹⁶ South Africa, Financial Action Task Force (FATF) (Paris) 2003. Date of Access: 14 January 2013. <http://www.fatf-gafi.org/countries/s-t/southafrica/>.

¹²¹⁷ Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) (Dar es Salaam) 2004. Date of Access: 14 January 2013.

<http://www.fatf-gafi.org/pages/easternandsouthernafricaanti-moneylaundryinggroupesaamlg.html>.

¹²¹⁸ Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 1 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹²¹⁹ Corruption Perceptions Index 2012, Transparency International (Berlin) 5 December 2012. Date of Access: 28 December 2012.

<http://www.transparency.org/cpi2012/results>.

¹²²⁰ Who We Are and What We Do, Corruption Watch (Johannesburg) 26 January 2012. Date of Access: 1 January 2013.

<http://www.corruptionwatch.org.za/content/who-we-are-and-what-we-do>.

¹²²¹ TI Survey Confirms SA’s Corruption Fears Rising, Corruption Watch (Johannesburg) 5 December 2012. Date of Access: 28 December 2012.

<http://www.corruptionwatch.org.za/content/ti-survey-confirms-sas-corruption-fears-rising>.

¹²²² National Crime Stats Don’t Help Corruption Fight, Corruption Watch (Johannesburg) 20 September 2012. Date of Access: 28 December 2012.

<http://www.corruptionwatch.org.za/content/national-crime-stats-don%E2%80%99t-help-corruption-fight>.

¹²²³ Address by Zwelinzima Vavi, on his Appointment as Chairperson of the National Anti-Corruption Forum, COSATU (Johannesburg) 10 December 2012. Date of Access: 1 January 2013.

<http://www.cosatu.org.za/show.php?ID=6779>.

processes.¹²²⁴ The cooperation will extend to developing standards on international taxation and transfer pricing, problem-solving regarding incomplete information disclosure and fraudulent claims, enhancement of information exchange systems and resources sharing, and developing a BRICS mechanism to counter tax avoidance transactions, arrangements, shelters and schemes.¹²²⁵

On 6 June 2013, a proposal to establish the Anti-Corruption Bureau through the passage of a Public Administration Management Bill was published for public comment. Public Service and Administration Minister Lindiwe Sisulu urged “ordinary South Africans and Parliamentarians to get behind the proposed bureau to tackle corruption in the public sector.”¹²²⁶

On 9 June 2013, South African Justice and Constitutional Development Minister Jeff Radebe released the names of forty-two people convicted of fraud and corruption as a sign of the government’s intent to clamp down on corrupt officials. Minister Radebe noted this “aggressive stance has been initiated to ensure that, for the first time in the history of our democracy, criminals in our society will be made known and held accountable for their actions publicly.”¹²²⁷ The list of the convicted fraudsters was posted on government websites to ensure that they were not re-employed in any government department.

South Africa has partially complied with the crime and corruption commitment by ratifying the UNCAC. However, it has not fully implemented it and has not been more actively engaged with the OECD Anti-Bribery Working Group. Therefore, it is awarded a score of 0.

Analyst: Mila Gavrilova

Turkey: 0

Turkey has partially complied with the commitment to combat crime and corruption. Turkey has ratified both the UNCAC and the OECD Anti-Bribery Convention. Recently, Turkey has taken action to address its anti-corruption legal framework’s major deficiencies regarding terrorist financing.

On 10 December 2003 Turkey signed the UNCAC and ratified it on 9 November 2006.¹²²⁸ Turkey ratified the OECD Anti-Bribery Convention on 26 July 2000.¹²²⁹ Turkey is a member of the Financial Action Task Force (FATF)¹²³⁰, and an observer to the Eurasian Group (EAG).¹²³¹

¹²²⁴ BRICS Countries Vow to Address Transfer Pricing Enforcement Issues, International Trade Compliance Strategies (Manitoba) 24 January 2013. Date of Access: 13 February 2013. <http://tradecompliance.ghy.com/2013/01/bric-countries-vow-to-address-transfer-pricing-enforcement-issues/>.

¹²²⁵ BRICS Countries Vow to Address Transfer Pricing Enforcement Issues, International Trade Compliance Strategies (Manitoba) 24 January 2013. Date of Access: 13 February 2013. <http://tradecompliance.ghy.com/2013/01/bric-countries-vow-to-address-transfer-pricing-enforcement-issues/>.

¹²²⁶ New anti-corruption bureau set to roll, Independent Online (Cape Town) 6 June 2013. Date of Access: 1 July 2013.

<http://www.iol.co.za/news/crime-courts/new-anti-corruption-bureau-set-to-roll-1.1528068>.

¹²²⁷ Radebe names, shames fraudsters, Independent Online (Cape Town) 9 June 2013. Date of Access: 1 July 2013. <http://www.iol.co.za/news/crime-courts/radebe-names-shames-fraudsters-1.1529541>.

¹²²⁸ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 16 January 2013. <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

On 18-22 June 2012, Turkey participated in the meeting of the UNCAC Implementation Review Group in Vienna.¹²³²

On 22 June 2012, the FATF called on Turkey to fulfill its commitments as a member of the Task Force by criminalising Terrorist Financing (TF) and establishing a legal framework for the identification and freezing of terrorist assets.¹²³³ The FATF warned that if the Turkish government does not take any appropriate action by October 2012, then the FATF will initiate discussions on Turkey's membership status.¹²³⁴

On 19 October 2012, the FATF published a Statement on Turkey. The Statement expressed FATF's concern on serious deficiencies that "continue to exist" in the country's legal framework in relation to terrorist financing (TF) and identifying and freezing assets that come from terrorist actions.¹²³⁵ The report stated that, despite constant monitoring on behalf of the FATF, and measures taken by the Turkish government, there has been no substantive action against TF. The Statement concluded with the FATF's decision to suspend Turkey's membership on 22 February 2013.¹²³⁶

On 7 February 2013, Turkish parliament passed a new anti-terrorism financing law.¹²³⁷ However, Hakki Koylu, the deputy chair of the parliament's Justice Committee, said that new law might not

¹²²⁹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, (Paris) 20 November 2012. Date of Access: 16 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹²³⁰ Turkey, Financial Action Task Force (FATF) (Paris) 1991. Date of Access: 16 January 2013. <http://www.fatf-gafi.org/countries/s-t/turkey/>.

¹²³¹ Observer states and organizations, Eurasian Group on Combating Money Laundering (EAG) (Moscow) Date of Access: 16 January 2013.

<http://www.eurasiangroup.org/observers.php>.

¹²³² Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Convention against Corruption (Vienna) 22 June 2012. Date of Access: 16 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹²³³ Outcomes of the Plenary Meeting of the FATF, Financial Action Task Force (Rome) 22 June 2012. Date of Access: 16 January 2013.

<http://www.fatf-gafi.org/countries/s-t/turkey/documents/outcomesofthepenarymeetingofthefatfrome20-22june2012.html>.

¹²³⁴ Outcomes of the Plenary Meeting of the FATF, Financial Action Task Force (Rome) 22 June 2012. Date of Access: 16 January 2013.

<http://www.fatf-gafi.org/countries/s-t/turkey/documents/outcomesofthepenarymeetingofthefatfrome20-22june2012.html>.

¹²³⁵ Outcomes of the Plenary Meeting of the FATF, Financial Action Task Force (Paris) 17-19 October 2012. Date of Access: 16 January 2013.

<http://www.fatf-gafi.org/countries/s-t/turkey/documents/outcomesofthepenarymeetingofthefatparis17-19october2012.html>.

¹²³⁶ Outcomes of the Plenary Meeting of the FATF, Financial Action Task Force (Paris) 17-19 October 2012. Date of Access: 16 January 2013.

<http://www.fatf-gafi.org/countries/s-t/turkey/documents/outcomesofthepenarymeetingofthefatparis17-19october2012.html>.

¹²³⁷ Turkish Parliament Approves Anti-Terrorism Financing Law, Chicago Tribune (Chicago) 7 February 2013. Date of Access: 14 February 2013.

http://articles.chicagotribune.com/2013-02-07/news/sns-rt-us-turkey-financing-lawbre91614k-20130207_1_turkish-parliament-nick-tattersall-terrorism-legislation

satisfy OECD and international standards¹²³⁸ and not considered in line with FATF recommendations.¹²³⁹

On 22 February 2013, FATF issued a statement on Turkey's progress. FATF welcomed the new anti-terrorism financing law as a significant step towards addressing many of the shortcomings identified in Turkey's legal framework and announced that Turkey's membership would not be revoked, as had previously been suggested.¹²⁴⁰ However, the FATF pointed to a series of still existing shortcomings that the government of Turkey would promptly need to address to comply with international standards.¹²⁴¹

On 23 March 2013, the Turkish Finance Ministry's Financial Crimes Investigative Board (MASAK) signed a Memorandum of Understanding with the German Financial Intelligence Unit under Bundeskriminalamt.¹²⁴² Under the new agreement the two parties will work together in combating terrorism financing and money laundering.¹²⁴³

Turkey has ratified the UNCAC and taken action to attend to the shortcomings of its legal framework in relation to terrorist financing, as detected and regulated by the FATF, thus implementing the UNCAC provision in relation to terrorism financing. Thus, Turkey is awarded a score of 0.

Lead Analyst: Eleni Tsaliki

¹²³⁸ Turkey Concerned Terror-Finance Law May Not Satisfy OECD, Bloomberg Media (New York) 24 January 2013. Date of Access: 14 February 2013.
<http://www.bloomberg.com/news/2013-01-24/turkey-concerned-terror-finance-law-may-not-satisfy-oecd.html>

¹²³⁹ Terror Financing Bill not Exactly in Line with FATF Recommendation, Hurriyet Daily News (Ankara) 9 February 2013. Date of Access: 14 February 2013.
<http://www.hurriyetdailynews.com/terror-financing-bill-not-exactly-in-line-with-fatf-recommendations.aspx?pageID=449&nID=40758&NewsCatID=403>.

¹²⁴⁰ Statement on Turkey, Outcomes of the FATF Plenary, Financial Action Task Force (Paris) 22 February 2013. Date of Access: 27 June 2013.
<http://www.fatf-gafi.org/documents/documents/outcomesofthefatfplenary20-22february2013.html>.

¹²⁴¹ Statement on Turkey, Outcomes of the FATF Plenary, Financial Action Task Force (Paris) 22 February 2013. Date of Access: 27 June 2013.
<http://www.fatf-gafi.org/documents/documents/outcomesofthefatfplenary20-22february2013.html>.

¹²⁴² Memorandum Of Understanding Between The Ministry Of Finance, Financial Crimes Investigation Board

(Masak) Of The Republic Of Turkey And Zentralstelle Für Verdachtsmeldungen At The Bundeskriminalamt (Bka) Of The Federal Republic Of Germany Concerning The Exchange Of Financial Intelligence Related To Money Laundering And Terrorist Financing, Ministry Of Finance, Financial Crimes Investigation Board

(Masak) Of The Republic Of Turkey (Ankara) 13 March 2013. Date of Access: 27 June 2013.
<http://www.masak.gov.tr/media/portals/masak2/files/MoU-Almanya.pdf>.

¹²⁴³ Memorandum Of Understanding Between The Ministry Of Finance, Financial Crimes Investigation Board

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(Masak) Of The Republic Of Turkey (Ankara) 13 March 2013. Date of Access: 27 June 2013.
<http://www.masak.gov.tr/media/portals/masak2/files/MoU-Almanya.pdf>.

United Kingdom: 0

United Kingdom has partially complied with its commitment to combat corruption. United Kingdom has ratified the UNCAC and taken measures to promote transparency and tighten its legal framework on corruption.

United Kingdom signed the UNCAC on 9 December 2003 and ratified it on 9 February 2006.¹²⁴⁴ On 15 February 1999, it became a member of the OECD Anti-Bribery Convention.¹²⁴⁵ United Kingdom is a member of the Financial Action Task Force (FATF)¹²⁴⁶, and an observer in the Asia/Pacific Group on Money Laundering (APG)¹²⁴⁷, the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)¹²⁴⁸, and the Middle East and North Africa Financial Action Task Force (MENAFATF).¹²⁴⁹

In June 2012, United Kingdom participated in the session of the UNCAC Implementation Review Group in Vienna from.¹²⁵⁰

On 30 September 2012, the Serious Fraud Office (SFO) implemented a new tougher approach under the Bribery Act. The SFO has withdrawn a number of regulations that demonstrated leniency to specific breaches of the law, signaling a shift from plea bargains to criminal prosecutions.¹²⁵¹

On 14 December 2012, Foreign Office Minister Alistair Burt welcomed the opening of a Centre of Excellence on Countering Violent Extremism in Abu Dhabi and termed it “an important milestone in the global fight against terrorism.”¹²⁵² The British government will actively participate in the works of the new Centre through membership in the International Steering

¹²⁴⁴UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 3 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹²⁴⁵OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, (Paris) 20 November 2012. Date of Access: 3 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹²⁴⁶United Kingdom, Financial Action Task Force (Paris) 1990. Date of Access: 3 January 2013. <http://www.fatf-gafi.org/countries/u-z/unitedkingdom/>.

¹²⁴⁷United Kingdom, Asia/Pacific Group on Money Laundering (Bangkok) Date of Access: 11 January 2013.

<http://www.apgml.org/observers/default.aspx?ObserverID=8>.

¹²⁴⁸Eastern and Southern Africa Anti-Money Laundering Group (Dar es Salaam) 2004. Date of Access: 11 January 2013.

<http://www.esaamlg.org/>.

¹²⁴⁹Middle East and North Africa Financial Action Task Force (Manama) Date of Access: 11 January 2013. <http://menafatf.org/>.

¹²⁵⁰Final List of Participants, Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group, United Nations Convention against Corruption (Vienna) 22 June 2012. Date of Access: 3 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹²⁵¹SFO Gets Tougher over Bribery Act, The Telegraph (London) 30 September 2012. Date of Access: 3 January 2013.

<http://www.telegraph.co.uk/finance/financial-crime/9576336/SFO-gets-tougher-over-Bribery-Act.html>

¹²⁵²UK Welcomes New Counter Terrorism Centre in UAE, Foreign and Commonwealth Office (London) 14 December 2012. Date of Access: 29 January 2013.

<https://www.gov.uk/government/news/uk-welcomes-new-counter-terrorism-centre-in-uae>.

Board and the seconding of a Director of Training and Capacity-Building into the Centre's senior management team.¹²⁵³ The inauguration of the Centre took place under the framework of the third Global Counterterrorism Forum in Abu Dhabi.¹²⁵⁴

On 2 January 2013, Prime Minister David Cameron, in a letter issued on the occasion of the United Kingdom's presidency in the Group of Eight (G8), confirmed his intention to place transparency high on the G8 agenda.¹²⁵⁵ On 24 January 2013, on his keynote speech to the World Economic Forum in Davos, Prime Minister Cameron reaffirmed his commitment to strengthen international tax standards and enhance transparency especially when it comes to international development aid.¹²⁵⁶

In September 2012, the British government established the British Asset Recovery Taskforce with the purpose of tracking down assets linked to the Mubarak regime and return them to Egypt.¹²⁵⁷ Under the new Taskforce, all relevant UK agencies will collaborate together, strengthening their links with their Egyptian counterparts.¹²⁵⁸ A Regional Asset Recovery Adviser will also be based in Cairo in order to assist the efforts of the Egyptian, Libyan and Tunisian authorities.¹²⁵⁹

On 14 January 2013, on a joint press conference with delegates from the British Asset Recovery Taskforce Minister of State for Crime Prevention Jeremy Browne, stated the efforts of the British government to proceed with the asset recovery while reassuring that the United Kingdom will not be a safe haven for the storage of stolen assets.¹²⁶⁰

¹²⁵³ UK Welcomes New Counter Terrorism Centre in UAE, Foreign and Commonwealth Office (London) 14 December 2012. Date of Access: 29 January 2013.

<https://www.gov.uk/government/news/uk-welcomes-new-counter-terrorism-centre-in-uae>.

¹²⁵⁴ Ministers Gathered in Abu Dhabi under Co-chairmanship of Turkey and United States Support Victims of Terrorism, Take Steps against Kidnapping for Ransom and Violent Extremism, Global Counterterrorism Forum (New York) 14 December 2012. Date of Access: 29 January 2013.

<http://www.thegctf.org/web/guest/home>.

¹²⁵⁵ Prime Minister's letter to G8 leaders, Inside Government (London) 2 January 2013. Date of Access: 11 January 2013.

<https://www.gov.uk/government/news/prime-ministers-letter-to-g8-leaders>.

¹²⁵⁶ Address by Prime Minister David Cameron at the World Economic Forum, British Prime Minister's Office (London) 24 January 2013. Date of Access: 29 January 2013.

<http://www.number10.gov.uk/news/prime-minister-david-camersons-speech-to-the-world-economic-forum-in-davos/>.

¹²⁵⁷ Asset Recovery Taskforce Addresses Repatriation of Foreign Funds, Daily News Egypt (Cairo) 14 January 2013. Date of Access: 29 January 2013.

<http://www.dailynewsegypt.com/2013/01/14/asset-recovery-taskforce-addresses-repatriation-of-foreign-funds/>.

¹²⁵⁸ UK Asset Recovery Task Force: Ensuring proceeds of corruption go where they rightfully belong, British Embassy (Cairo) 14 January 2013. Date of Access: 29 January 2013.

http://ukinegypt.fco.gov.uk/en/about-us/working-with-egypt/visits/jeremy_brown/851877082.

¹²⁵⁹ UK Asset Recovery Task Force: Ensuring proceeds of corruption go where they rightfully belong, British Embassy (Cairo) 14 January 2013. Date of Access: 29 January 2013.

http://ukinegypt.fco.gov.uk/en/about-us/working-with-egypt/visits/jeremy_brown/851877082.

¹²⁶⁰ Asset Recovery Taskforce Addresses Repatriation of Foreign Funds, Daily News Egypt (Cairo) 14 January 2013. Date of Access: 29 January 2013.

<http://www.dailynewsegypt.com/2013/01/14/asset-recovery-taskforce-addresses-repatriation-of-foreign-funds/>.

The British government is also developing an enhanced Tax Information Exchange Agreement (TIEA) with the Isle of Man designed to combat tax evasion.¹²⁶¹

On 14 January 2013, Home Secretary Theresa May tabled amendments to the Crime and Courts Bill. The amendments are meant to modify the 2003 Extradition Act by introducing a forum bar and transferring the Home Secretary's responsibilities regarding representations on human rights grounds to the High Court.¹²⁶² Although the British Law Society welcomed the proposed amendments as means to create a more modern and effective judicial system, it also raised concerns for some of the provisions.¹²⁶³

On 6 March 2013, the Group of States against Corruption released its Evaluation Report on Corruption prevention in respect of Members of Parliament, judges and prosecutors.¹²⁶⁴ The report praised the United Kingdom's performance, emphasizing transparency in the judicial system, fair and impartial procedures in the appointment of prosecutors, and lack of delays in handling cases.¹²⁶⁵ It also encouraged government authorities to enhance transparency and accountability for Members of the Parliament.¹²⁶⁶

On 9 April 2013, Her Majesty's Revenue and Customs announced new multilateral agreements to tackle tax evasion with France, Germany, Italy, and Spain.¹²⁶⁷ According to the new agreements the five countries will automatically exchange a wide range of financial information ensuring minimal costs for both companies and governments.¹²⁶⁸

¹²⁶¹ UK, IoM To Sign Enhanced TIEA, Global Tax News (London) 11 December 2012. Date of Access: 12 January 2013.

http://www.tax-news.com/news/UK_IoM_To_Sign_Enhanced_TIEA_58707.html.

¹²⁶² MPs Consider Extradition Forum Bar, The Law Society Gazette (London) 15 January 2013. Date of Access: 14 February 2013.

<http://www.lawgazette.co.uk/news/mps-consider-extradition-forum-bar>.

¹²⁶³ MPs Consider Extradition Forum Bar, The Law Society Gazette (London) 15 January 2013. Date of Access: 14 February 2013.

<http://www.lawgazette.co.uk/news/mps-consider-extradition-forum-bar>.

¹²⁶⁴ Evaluation Report on Corruption prevention in respect of members of Parliament, judges and prosecutors, Group of States against Corruption, Council of Europe (Strasbourg) 6 March 2013. Date of Access: 3 July 2013.

[http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4\(2012\)2_UnitedKingdom_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4(2012)2_UnitedKingdom_EN.pdf).

¹²⁶⁵ Evaluation Report on Corruption prevention in respect of members of Parliament, judges and prosecutors, Group of States against Corruption, Council of Europe (Strasbourg) 6 March 2013. Date of Access: 3 July 2013.

[http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4\(2012\)2_UnitedKingdom_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4(2012)2_UnitedKingdom_EN.pdf).

¹²⁶⁶ Evaluation Report on Corruption prevention in respect of members of Parliament, judges and prosecutors, Group of States against Corruption, Council of Europe (Strasbourg) 6 March 2013. Date of Access: 3 July 2013.

[http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4\(2012\)2_UnitedKingdom_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round4/GrecoEval4(2012)2_UnitedKingdom_EN.pdf).

¹²⁶⁷ New UK multilateral action to combat tax evasion, Inside Government (London) 9 April 2013. Date of Access: 3 July 2013.

<https://www.gov.uk/government/news/new-uk-multilateral-action-to-combat-tax-evasion>.

¹²⁶⁸ New UK multilateral action to combat tax evasion, Inside Government (London) 9 April 2013. Date of Access: 3 July 2013.

<https://www.gov.uk/government/news/new-uk-multilateral-action-to-combat-tax-evasion>.

On 24 April 2013, Prime Minister David Cameron, in his letter to the President of the European Council Herman Van Rompuy, expressed hope that EU leaders would take the opportunity to raise international efforts and take radical action to tackle tax evasion and tax avoidance.¹²⁶⁹ The letter mentioned four key areas of action: (1) a new global standard for multilateral information exchange; (2) enhance transparency in beneficial ownership; (3) reform of global tax rules; and (4) improve the ability of tax collection in developing countries.¹²⁷⁰

On 9 May 2013, Her Majesty's Revenue and Customs announced its cooperation with the United States Internal Revenue Service and Australian Taxation Office on data sharing related to complex offshore structures and the concealment of assets by wealthy natural and legal entities.¹²⁷¹ As Chancellor of the Exchequer George Osborne stated: "Ahead of the UK's presidency of the G8 this year, the Prime Minister has made it a key priority to drive an international effort to increase transparency and clamp down on tax avoidance and evasion. By working with our international partners in this way, we are again demonstrating our commitment to this work."¹²⁷²

On 10 May 2013, Chancellor of the Exchequer George Osborne, in his closing remarks at the G7 meeting, spoke of the need to develop "a new multilateral global standard on the automatic exchange of information based on FATCA and action to improve the transparency of legal structures [...] so as both developed and developing countries can collect the tax that is due to them."¹²⁷³ On 13 May 2013, Chancellor also urged his fellow EU Finance Ministers to sign the delayed savings directive as an essential precondition in creating a global standard on tax information.¹²⁷⁴

On 20 May 2013, Prime Minister David Cameron, in his letter to leaders of British overseas territories and Crown dependencies, including Bermuda, British Virgin Islands, Cayman Islands, Gibraltar, Anguilla, Montserrat, the Turks and Caicos Islands, Jersey, Guernsey, and the Isle of Man, stressed the need for cooperation in the areas of tax information exchange and beneficial ownership as a means to tackle tax evasion and aggressive tax avoidance.¹²⁷⁵

On 22 May 2013, at a joint press conference in Paris, British Prime Minister David Cameron and French President Francois Hollande announced their commitment to implement the Extractive

¹²⁶⁹ PM letter to the EU on tax evasion, G8 Information Centre (Toronto) 25 April 2013. Date of Access: 3 July 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/130424-cameron.html>.

¹²⁷⁰ PM letter to the EU on tax evasion, G8 Information Centre (Toronto) 25 April 2013. Date of Access: 3 July 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/130424-cameron.html>.

¹²⁷¹ No safe havens for offshore tax cheats, Inside Government (London) 9 May 2013. Date of Access: 3 July 2013. <https://www.gov.uk/government/news/no-safe-havens-for-offshore-tax-cheats>.

¹²⁷² No safe havens for offshore tax cheats, Inside Government (London) 9 May 2013. Date of Access: 3 July 2013. <https://www.gov.uk/government/news/no-safe-havens-for-offshore-tax-cheats>.

¹²⁷³ Chancellor's closing remarks at the G7 meeting, G8 Information Centre (Toronto) 10 May 2013. Date of Access: 3 July 2013.

<http://www.g8.utoronto.ca/finance/fm130511.htm>.

¹²⁷⁴ Chancellor's letter to EU finance ministers on fighting tax avoidance and evasion, Inside Government (London) 13 May 2013. Date of Access: 3 July 2013.

<https://www.gov.uk/government/publications/chancellors-letter-to-eu-finance-ministers-on-fighting-tax-avoidance-and-evasion>.

¹²⁷⁵ G8: PM writes to crown dependency leaders, Inside Government (London) 20 May 2013. Date of Access: 3 July 2013.

<https://www.gov.uk/government/news/g8-pm-writes-to-crown-dependency-leaders>.

Industries Transparency Initiative (EITI).¹²⁷⁶ The announcement was made on the eve of the EITI Global Conference in Sydney where a strengthened standard was to be adopted.¹²⁷⁷ Development Ministers Pascal Canfin for France and Justine Greening for United Kingdom welcomed the revised EITI standard, stating that “France and the United Kingdom fully encourage the strengthening and the extension of the Extractive Industries Transparency Initiative.”¹²⁷⁸

On 28 May 2013, the Financial Times reported that an important piece of the Bribery Act will be reviewed in June 2013 that has the potential to undermine the government’s promise to clamp down on corruption.¹²⁷⁹ The focus of the review is on “facilitation payments” — payments to officials to allow or speed up a service. The review is part of the government’s effort to reduce the regulatory burden on Small- and Medium-Enterprises.¹²⁸⁰

On 29 May 2013, British Ambassador Scott Wightman to South Korea participated in the Anti-Corruption Symposium organized by UN Global Compact Korea. In his speech on the UK Bribery Act, the Ambassador reiterated Britain’s commitment to focus on trade, tax and enhanced transparency. According to the British Ambassador, “[the] global economic recovery and sustainable future prosperity depends on getting [trade, tax and transparency] right.”¹²⁸¹

United Kingdom has taken a series of measures to enhance international cooperation on transparency, asset recovery, tax evasion, and terrorism. For the ratification of the UNCAC and promotion of transparency and inclusive review process United Kingdom has been awarded a score of 0.

Analyst: Darya Kutovaya
Lead Analyst: Eleni Tsaliki

United States: 0

United States has partially complied with its commitment to combat crime and corruption. The United States’ efforts to achieve the full implementation of the United Nations Convention against Corruption (UNCAC) are strong and ongoing.

¹²⁷⁶ UK raises the bar for transparency in the extractive industries, Inside Government (London) 23 May 2013. Date of Access: 3 July 2013.

<https://www.gov.uk/government/news/uk-raises-the-bar-for-transparency-in-the-extractive-industries>.
¹²⁷⁷ Charting the next steps for transparency in extractives, Extractive Industries Transparency Initiative (Washington D.C.) 10 May 2013. Date of Access: 3 July 2013.

<http://eiti.org/blog/charting-next-steps-transparency-extractives>.

¹²⁷⁸ The United Kingdom and France work together on transparency for development, Inside Government (London) 22 May 2013. Date of Access: 3 July 2013.
<https://www.gov.uk/government/news/the-united-kingdom-and-france-work-together-on-transparency-for-development>.

¹²⁷⁹ Relaxation of UK bribery law on government agenda, Financial Times (London) 28 May 2013. Date of Access: 4 July 2013.

<http://www.ft.com/intl/cms/s/0/cab2111c-c6c8-11e2-a861-00144feab7de.html#axzz2Y8G24uhF>.

¹²⁸⁰ Relaxation of UK bribery law on government agenda, Financial Times (London) 28 May 2013. Date of Access: 4 July 2013.

<http://www.ft.com/intl/cms/s/0/cab2111c-c6c8-11e2-a861-00144feab7de.html#axzz2Y8G24uhF>.

¹²⁸¹ Speech by Ambassador Scott Wightman at Anti-Corruption Symposium in Korea, Inside Government (London) 29 May 2013. Date of Access: 3 July 2013.

<https://www.gov.uk/government/speeches/ambassadors-speech-at-anti-corruption-symposium-in-korea>.

The American government signed the UNCAC on 9 December 2003 and ratified it on 30 October 2006.¹²⁸² On 8 December 1998, it ratified the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention.¹²⁸³

The United States participated in a series of UNCAC meetings and Working Groups in Vienna from June to November 2012. On 18-22 June 2012, the American government participated in the UNCAC Implementation Review Group (Third) session.¹²⁸⁴ The United States has been corresponding with the UNCAC Open-ended Intergovernmental Working Group on the Prevention of Corruption; and on 24 August 2012, the American delegation submitted “The United States of America executive branch financial disclosure system” conference room paper to the UNCAC Open-ended Intergovernmental Working Group on the Prevention of Corruption.”¹²⁸⁵ On 28 August 2012, the United States submitted “The United States Efforts to Implement Article 12” report.¹²⁸⁶ The United States also partook in the UNCAC Meeting of Experts to Enhance International Cooperation on 22-23 October 2012¹²⁸⁷ and in the Implementation Review Group on 14-16 November 2012.¹²⁸⁸

In September 2012, the United States co-organized the inaugural meeting of the Arab Forum on Asset Recovery in Doha. The Forum called upon the Group of Eight (G8) and Deauville countries to initiate essential capacity building to assist in tracing, freezing, and recovering stolen assets

¹²⁸² UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹²⁸³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012 (Paris) 20 November 2012. Date of Access: 14 January 2013. <http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹²⁸⁴ Report of the Implementation Review Group on its Resumed Third Session, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 14-16 November 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/CacCospIrg2012-6Add1webversion.pdf>.

¹²⁸⁵ The United States of America Executive Branch Financial Disclosure System, Open-Ended Intergovernmental Working Group on the Prevention of Corruption United Nations Office on Drugs and Crime (Vienna) 24 August 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/V1255546e.pdf>.

¹²⁸⁶ The United States Efforts to Implement Article 12, Open-ended Intergovernmental Working Group on the Prevention of Corruption United Nations Office on Drugs and Crime (Vienna) 28 August 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/V1255580e.pdf>.

¹²⁸⁷ Report on the meeting of experts to enhance international cooperation under the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 24 October 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/EMInternationalCooperation/22-23October2012/V1256899e.pdf>.

¹²⁸⁸ Report of the Implementation Review Group on its resumed third session, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 14-16 November 2012. Date of Access: 4 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/CacCospIrg2012-6Add1webversion.pdf>.

from corruption.¹²⁸⁹ At the Forum, President of the United States Barak Obama reaffirmed his country's willingness to partner with those willing to combat corruption.¹²⁹⁰ On 28 September 2012, the United States of America's Department of State committed USD2.5 million to support efforts of asset recovery and fighting corruption in the Middle East.¹²⁹¹

On 23 August 2012, the Securities and Exchange Commission (SEC) approved new transparency measures in relation to the Dodd-Frank Wall Street Reform and Consumer Protection Act.¹²⁹² These new SEC rules set new standards for transparency in the extractive industries (oil, natural gas and mining companies) and hope to target corruption in operations within countries where government transactions lack in their transparency.¹²⁹³

On 27 December 2012, the Whistleblower Protection Enhancement Act took effect, revamping protection for federal employees who report misconduct, abuse of authority or law violation.¹²⁹⁴

On 21 December 2012, the American Congress approved the Government Accountability Project (GAP), which would provide protection for whistle-blowers under contract with the Defense Department.¹²⁹⁵ This Project is part of the National Defense Authorization Act of 2013 (NDAA 2013), which President Obama signed on 2 January 2013, and which extends the whistle-blower protection, safeguards government contracts and strengthens free speech rights for police officers in the United Nations peacekeeping missions.¹²⁹⁶

On 21 December 2012, the Commodity Futures Trading Commission (CFTC) published in its "Final Rules" the requirement of tape recording of all oral communications that can lead to a commodity interest transaction for Futures Commission Merchants (FCMs), larger Introducing Brokers (IBs), Retail Foreign Exchange Dealers (RFEDs) and Commodity Trading Advisors

¹²⁸⁹ Arab Forum on Asset Recovery-Doha Meeting, Stolen Asset Recovery Initiative (Doha) September 2012. Date of Access: 10 January 2013.

<http://star.worldbank.org/star/ArabForum/About>.

¹²⁹⁰ Report of the First Meeting of the Arab Forum on Asset Recovery, Arab Forum on Asset Recovery (Doha) September 2012. Date of Access: 4 January 2013.

http://star.worldbank.org/star/sites/star/files/report_arab_forum_on_asset_recovery.pdf.

¹²⁹¹ U.S. to Boost Support for Middle Eastern and North African Countries in Recovering Proceeds of Corruption, U.S. Department of State (Washington D.C.) 28 September 2012. Date of Access: 4 January 2013. <http://www.state.gov/r/pa/prs/ps/2012/09/198452.htm>.

¹²⁹² Final Rules for Dodd-Frank Sections 1502 and 1504, U.S. Department of State (Washington D.C.) 23 August 2012. Date of Access: 4 January 2013.

<http://www.state.gov/r/pa/prs/ps/2012/08/196882.htm>.

¹²⁹³ New U.S. Rules Promote Transparency in Extractive Industries, U.S. Department of State (Washington) 24 September 2012. Date Accessed: 4 January 2013.

<http://iipdigital.usembassy.gov/st/english/article/2012/09/20120923136454.html#axzz2GH0VoCP1>.

¹²⁹⁴ Whistleblower Protection Enhancement Act, Congress of the United States of America (Washington, D.C.) 27 December 2012. Date of Access: 11 January 2013.

<http://www.gpo.gov/fdsys/pkg/BILLS-112s743enr/pdf/BILLS-112s743enr.pdf>.

¹²⁹⁵ Federal Contractor Whistleblower Provisions Included in NDAA 2013, Government Accountability Project (Washington, D.C.) 21 December 2012. Date of Access: 11 January 2013.

<http://www.whistleblower.org/press/press-release-archive/2012/2453-federal-contractor-whistleblower-provisions-included-in-ndaa-2013>.

¹²⁹⁶ Government Accountability Project, (Washington, D.C.) 21 December 2012. Date of Access: 11 January 2013. <http://www.whistleblower.org/press/press-release-archive/2012/2453-federal-contractor-whistleblower-provisions-included-in-ndaa-2013>.

(CTAs). The Final Rules will become effective on 19 February 2013 and all registrants of the CFTC must comply with them by December 2013.¹²⁹⁷

On 20 December 2012, the OECD Working Group on Bribery released the Follow-up to Phase 3 Report and Recommendations.¹²⁹⁸ In the Report, the Working Group on Bribery recognized that the United States has implemented all but one of the recommendations. The Working Group on Bribery highlighted the United States' ongoing preparation of the "Resource Guide to Foreign Corrupt Practices Act (FCPA)," which the Report referred to as a "major initiative" on the behalf of the United States.¹²⁹⁹

On 17 January 2013, the United States Department of the Treasury and the Internal Revenue Service (IRS) issued final regulations on the reporting of information and withholding tax provisions commonly known as the Foreign Account Tax Compliance Act (FATCA).¹³⁰⁰ These regulations provide additional certainty for financial institutions and government counterparts by finalizing the systematic process for United States account identification, information reporting, and withholding requirements for foreign financial institutions (FFIs), other foreign entities, and United States withholding agents.¹³⁰¹

On 8 February 2013, the United States Department of the Treasury backed away from earlier proposals to toughen rules on banks to fight money laundering.¹³⁰² However, the government still intends to enforce the rules on data collection, obliging financial institutions to gather more data than they do presently.

On 13 February 2013, the United States Department of the Interior and the United States Extractive Industries Transparency Initiative (USEITI) Advisory Committee held its first public meeting in Washington, District Columbia.¹³⁰³ The Extractive Industries Transparency Initiative (EITI) is a voluntary, global effort designed to increase transparency, strengthen the

¹²⁹⁷ CFTC, Federal Register Rules and Regulations (Washington, D.C.) 21 December 2012. Date of Access: 11 January 2013.

<http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2012-30691a.pdf>.

¹²⁹⁸ Follow-up on Phase Three Report, Organisation for Economic Co-operation and Development (Paris) 20 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/UnitedStatesPhase3WrittenFollowUpReportEN.pdf>

¹²⁹⁹ Follow-up on Phase Three Report, Organisation for Economic Co-operation and Development (Paris) 20 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/UnitedStatesPhase3WrittenFollowUpReportEN.pdf>

¹³⁰⁰ Treasury and IRS Issue Final Regulations to Combat Offshore Tax Evasion, United States Department of the Treasury (Washington) 17 January 2013. Date of Access: 14 February 2013.

<http://www.treasury.gov/press-center/press-releases/Pages/tg1825.aspx>.

¹³⁰¹ Treasury and IRS Issue Final Regulations to Combat Offshore Tax Evasion, United States Department of the Treasury (Washington, D.C.) 17 January 2013. Date of Access: 14 February 2013.

<http://www.treasury.gov/press-center/press-releases/Pages/tg1825.aspx>.

¹³⁰² Treasury eases off on bank rules, Wall Street Journal (New York) 8 February 2013. Date of Access: 14 February 2013.

<http://online.wsj.com/article/SB10001424127887324906004578292143699201924.html>.

¹³⁰³ First Meeting of the U.S. Extractive Industries Transparency Initiative (USEITI) Advisory Committee, United States Department of State (Washington, D.C.) 13 February 2013. Date of Access: 14 February 2013. <http://www.state.gov/r/pa/prs/ps/2013/02/204578.htm>.

accountability of natural resource revenue reporting, and build public trust for the governance of these vital activities.¹³⁰⁴

On 25 February 2013, the United States released its updated report, Steps Taken by the United States to Implement and Enforce the OECD Anti-Bribery Convention. The report summarizes the 117 Foreign Corrupt Practices Act Enforcement Actions taken by the United States.¹³⁰⁵

On 6 March 2013, Federal Reserve Governor Jerome Powell stated that the central bank “places great importance” on fighting money laundering and terrorist financing.¹³⁰⁶ In his remarks to the United States Senate Banking Committee, he noted that the Federal Reserve is committed to working cooperatively with law enforcement and financial regulators to ensure a coordinated response to the threat of illicit financing and ensuring financial institutions comply with the Bank Secrecy Act and American economic sanctions.¹³⁰⁷

Since March 2010, the United States has enacted provisions of the Foreign Account Tax Compliance Act (FATCA), which introduces reporting requirements for foreign financial institutions (FFIs) with respect to certain accounts. The Treasury Department is engaged with more than seventy-five jurisdictions to develop bilateral agreements to ensure implementation of FATCA.¹³⁰⁸

The United States participated in the Fourth Session of the Implementation Review Group held on 27-31 May 2013 in Vienna.¹³⁰⁹

In June 2013, the United States and Switzerland signed an Interpretation Agreement providing a framework for cooperation to ensure the implementation of FATCA by financial institutions located in Switzerland.¹³¹⁰ Provisions under this framework include obligations of Swiss financial

¹³⁰⁴ U.S. Extractive Industries Transparency Initiative Advisory Committee First Meeting, United States Department of the Interior (Washington, D.C.) 29 January 2013. Date of Access: 14 February 2013. <http://www.doi.gov/news/doinews/us-extractive-industries-transparency-initiative-advisory-committee-first-meeting.cfm>.

¹³⁰⁵ Steps Taken by the United States to Implement and Enforce the OECD Anti-Bribery Convention, U.S. Department of Justice (Washington, D.C.) 25 February 2013. Date of Access 29 June 2013. <http://www.justice.gov/criminal/fraud/fcpa/docs/2013-02-25-steps-taken-oecd-anti-bribery-convention.pdf>.

¹³⁰⁶ Powell Sees “Great Importance” in Fighting Terrorist Financing, Bloomberg (New York) 6 March 2013. Date of Access: 1 July 2013. <http://www.bloomberg.com/news/2013-03-06/powell-sees-great-importance-in-fighting-terrorist-financing.html>.

¹³⁰⁷ Powell Sees “Great Importance” in Fighting Terrorist Financing, Bloomberg (New York) 6 March 2013. Date of Access: 1 July 2013. <http://www.bloomberg.com/news/2013-03-06/powell-sees-great-importance-in-fighting-terrorist-financing.html>.

¹³⁰⁸ An Update on FATCA: Momentum Building Worldwide, United States Department of the Treasury (Washington, D.C.) 9 April 2013. Date of Access: 1 July 2013. <http://www.treasury.gov/connect/blog/Pages/An-Update-on-FATCA-Momentum-Building-Worldwide.aspx>.

¹³⁰⁹ Final List of Participants, Implementation Review Group United Nations Office on Drugs and Crime (Vienna) 27-31 May 2013. Date of Access: 28 June 2013. http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/27-31May2013/Final_list_of_participants.pdf.

¹³¹⁰ Joint Statement from the United States and Switzerland Regarding a Framework for Cooperation to Facilitate the Implementation of FATCA, United States Department of the Treasury (Washington, D.C.) 28 May 2013. Date of Access: 1 July 2013.

institutions and confirm the simplified self-declaration process for “exempt Swiss beneficial owners” under the FATCA agreement to combat tax evasion.

On 3-7 June 2013, the United States Department of Justice organized the West Africa Regional Anti-Corruption Workshop in conjunction with the United States Department of State. In attendance were Benin, Burkina Faso, Niger, Togo, and Senegal, all of which received technical training to become better equipped in their ability to investigate and prosecute public corruption offences.¹³¹¹

On 14 June 2013, the United States Department of State announced a series of partnerships with Burkina Faso¹³¹², Guinea¹³¹³, and Myanmar¹³¹⁴. The goal of these partnerships is to improve the availability of information and transparency regarding the sale of extractives through land transactions, to improve governance in handling significant mineral resources.

The United States has been continuously working towards the full implementation of the UNCAC and remained engaged in the work of the OECD Working Group on Bribery. Thus the United States has been awarded a score of 0.

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European Union: 0

The European Union has partially complied with its commitment on crime and corruption, by ratifying and partially implementing the United Nations Convention against Corruption (UNCAC) and by getting actively engaged with the Organisation for Economic Co-operation and Development (OECD) Working Group on Bribery.

The European Union signed the UNCAC on 15 September 2005 and approved it on 12 November 2008.¹³¹⁵ As of 20 November 2012, the European Union has not ratified the OECD Anti-Bribery Convention.¹³¹⁶

<http://www.treasury.gov/press-center/press-releases/Documents/FATCA%20Joint%20Statement%20US-Switzerland.pdf>.

¹³¹¹ U.S. Government hosts regional anti-corruption workshop, Embassy of the United States Benin (Cotonou) 7 June 2013. Date of Access: 29 June 2013.

<http://allafrica.com/stories/201306121558.html>.

¹³¹² Land Transparency Partnership Announced Between U.S. and Burkina Faso, U.S. Department of State (Washington, D.C.) 14 June 2013. Date of Access: June 29 2013.

<http://www.state.gov/r/pa/prs/ps/2013/06/210687.htm>.

¹³¹³ Extractives Industries Transparency Partnership Between the United States and Guinea, U.S. Department of State (Washington, D.C.) 14 June 2013. Date of Access: June 29 2013.

<http://www.state.gov/r/pa/prs/ps/2013/06/210675.htm>.

¹³¹⁴ Extractives Industries Transparency Partnership Between the United States and Myanmar, U.S. Department of State (Washington, D.C.) 14 June 2013. Date of Access: June 29 2013.

<http://www.state.gov/r/pa/prs/ps/2013/06/210679.htm>.

¹³¹⁵ UNCAC Signature and Ratification Status as of 24 December 2012, United Nations Office on Drugs and Crime (Vienna) 24 December 2012. Date of Access: 2 January 2013.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹³¹⁶ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of 20 November 2012, Organisation for Economic Co-operation and Development (Paris) 20 November 2012. Date of Access: 21 January 2013.

On 18-22 June 2012, the European Union participated in the third session of the Implementation Review Group of the UNCAC in Vienna.¹³¹⁷ The Secretariat of the Conference of the State Parties to the UNCAC released its executive summaries on the process of implementation of the Convention (specifically the legal system, the anti-corruption legal and institutional framework, criminalization and law enforcement, and international cooperation) for two European Union member states, France¹³¹⁸ and Bulgaria.¹³¹⁹ The European Union also attended an analogous session held on 14-16 November 2012¹³²⁰, where the Secretariat released its executive summaries for two more members of the European Union, Estonia¹³²¹ and Lithuania.¹³²²

On 18 July 2012, the European Commission released progress reports on Bulgaria¹³²³ and Romania¹³²⁴ under the Cooperation and Verification Mechanism with semi-annual assessment of fight against corruption in the two countries.¹³²⁵

<http://www.oecd.org/daf/anti-bribery/antibriberyconventionratification.pdf>.

¹³¹⁷ Final List of Participants, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 2 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/FINAL_List_of_Participants.pdf.

¹³¹⁸ Executive Summaries, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 2 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1187226e.pdf>.

¹³¹⁹ Executive Summaries, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 22 June 2012. Date of Access: 2 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/18-22June2012/V1187232e.pdf>.

¹³²⁰ Final List of Participants, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session United Nations Office on Drugs and Crime (Vienna) 14-16 November 2012. Date of Access: 2 January 2013.

http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/14-16November2012/Final_List_of_Participants.pdf.

¹³²¹ Executive Summary, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 14-16 November 2012. Date of Access: 3 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1255516e.pdf>.

¹³²² Executive Summary, Conference of the State of Parties to the United Nations Convention against Corruption Implementation Review Group Third Session, United Nations Office on Drugs and Crime (Vienna) 14-16 November 2012. Date of Access: 3 January 2013.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1255483e.pdf>.

¹³²³ Report from the Commission to the European Parliament and the Council: On Progress in Bulgaria under the Cooperation and Verification Mechanism, European Commission (Brussels) 18 July 2012. Date of Access: 3 January 2013.

http://ec.europa.eu/cvm/docs/com_2012_411_en.pdf.

¹³²⁴ Report from the Commission to the European Parliament and the Council: On Progress in Romania under the Cooperation and Verification Mechanism, European Commission (Brussels) 18 July 2012. Date of Access: 3 January 2013.

http://ec.europa.eu/cvm/docs/com_2012_410_en.pdf.

On 4 December 2012, the Council of the European Union approved an agreement with the European Parliament on the reform of the European Anti-Fraud Office (OLAF)¹³²⁶, an anti-fraud body charged with combating fraud and corruption in the European Union.¹³²⁷ The reform aims “to increase the efficiency of OLAF’s investigation, to strengthen cooperation between the office and the competent authorities of the member states and third countries, and to increase OLAF’s accountability.”¹³²⁸

On 10-11 December 2012, the Anti-Corruption Network (ACN)¹³²⁹ High Level Meeting and the 14th Steering Group took place in Paris¹³³⁰ with the participation of the top anti-corruption decision-makers from Eastern European countries and Central Asia, members of the OECD Working Group on Bribery and representatives of international organizations, civil society and business. The participants discussed issues regarding: (1) robust anti-corruption policies, (2) legislation against corruption and law-enforcement, (3) the prevention of corruption in public administration, and (4) the engagement of the private sector in a dialogue to prevent corruption.¹³³¹

On 31 January 2013, the European Network of Transmission System Operators for Electricity (ENTSO-E) will hold a Public Stakeholder Workshop as part of the development of the future transparency platform, which includes transparency regulation, obligations for data providers and ENTSO-E.¹³³²

¹³²⁵ Mechanism for Cooperation and Verification for Bulgaria and Romania, European Commission (Brussels) 19 July 2012. Date of Access: 3 January 2013.

http://ec.europa.eu/cvm/progress_reports_en.htm.

¹³²⁶ Amended Proposal for a Regulation of the European Parliament and of the Council Amending Regulation (EC) No 1073/1999 Concerning Investigations Conducted by the European Anti-fraud Office (OLAF) and Repealing Regulation (EURATOM) No 1074/1999 (first reading), Council of the European Union (Brussels) 20 July 2012. Date of Access: 2 January 2013.

<http://register.consilium.europa.eu/pdf/en/12/st12/st12735-ad01.en12.pdf>.

¹³²⁷ What We Do, European Commission: European Anti-Fraud Office (Brussels) 5 December 2012. Date of Access: 2 January 2013.

http://ec.europa.eu/anti_fraud/about-us/mission/index_en.htm.

¹³²⁸ Council Approves Reform of the European Anti-Fraud Office, Council of the European Union (Brussels) 4 December 2012. Date of Access: 3 January 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/134002.pdf.

¹³²⁹ The ACN is a regional outreach programme of the OECD Working Group on Bribery with a mandate to support its member states in their efforts to prevent and fight corruption.

Anti-Corruption Network for Eastern Europe and Central Asia, Organization for Economic Co-operation and Development (Paris) Date of Access: 4 January 2013.

<http://www.oecd.org/corruption/acn/aboutthenetwork/>.

¹³³⁰ 2012 Anti-Corruption Network High Level Meeting and 14th Steering Group Meeting, Organization for Economic Co-operation and Development (Paris) 10-11 December 2012. Date of Access: 4 January 2013.

<http://www.oecd.org/corruption/acn/2012anti-corruptionnetworkhighlevelmeetingandsteeringgroupmeeting.htm>.

¹³³¹ Reinforcing Political Will to Fight Corruption in Eastern Europe and Central Asia, High-Level Meeting, Organization for Economic Co-operation and Development (Paris) 10 December 2012. Date of Access: 14 January 2013.

<http://www.oecd.org/corruption/acn/HLMeetingDec2012ENG.pdf>.

¹³³² European Network of Transmission System Operators for Electricity (Brussels) Date of Access: 14 January 2013.

<https://www.entsoe.eu/news-events/events/public-transparency-stakeholder-workshop/>.

On 18 December 2012, the Internal Market and Consumer Protection Committee adopted a legislation proposed by the European Parliament and the Council of Europe on public procurement.¹³³³ According to the new legislation, sub-contracting will become more transparent whereby the responsibilities of the main contractor will be more clearly defined, thus reducing the risk of abuse.¹³³⁴

On 8 January 2013, the OECD Working Group on Bribery presented reports on the implementation and application of the OECD Anti-Bribery Convention in three European Union member states, Austria¹³³⁵, the Netherlands¹³³⁶, and Spain¹³³⁷. In Austria, the Working Group on Bribery reported on the “picking up” of enforcement of the foreign bribery legislation.¹³³⁸ The Netherlands’ ability and proactivity in investigating and prosecuting the crime of foreign bribery have been heavily criticized and brought into question.¹³³⁹ The Working Group on Bribery found Spain’s enforcement of its foreign bribery regulations “extremely low” and called for strengthening of the existing legal framework and “vigorous pursuing” of foreign bribery allegations.¹³⁴⁰

In January 2013, the European Food Safety Agency (EFSA) announced its initiative to “facilitate access to data and enhance transparency” after coming under constant attack about conflicts of

¹³³³ Towards Greener and More Responsible Public Procurement, European Parliament News (Brussels) 18 December 2012. Date of Access: 14 January 2013.

<http://www.europarl.europa.eu/news/en/pressroom/content/20121214IPR04658/html/Towards-greener-and-more-responsible-public-procurement>.

¹³³⁴ New rules for public procurement: EP Internal Market Committee proposes clear line. Frank Engel MEP and Andreas Schwab MEP, EPP Group in the European Parliament (Brussels) 18 December 2012. Date of Access: 14 January 2013.

<http://www.eppgroup.eu/press/showpr.asp?prcontroldoctypeid=1&prcontrolid=11615&prcontentid=19307&prcontentlg=en>.

¹³³⁵ Phase Three Report on Implementing the OECD Anti-Bribery Convention in Austria, Organisation for Economic Co-operation and Development (Paris) 14 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/AustriaPhase3ReportEn.pdf>.

¹³³⁶ Phase Three Report on Implementing the OECD Anti-Bribery Convention in the Netherlands, Organisation for Economic Co-operation and Development (Paris) 14 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/NetherlandsPhase3ReportEn.pdf>.

¹³³⁷ Phase Three Report on Implementing the OECD Anti-Bribery Convention in Spain, Organisation for Economic Co-operation and Development (Paris) 14 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/SpainPhase3ReportEn.pdf>.

¹³³⁸ Austria’s enforcement of foreign bribery laws far too weak, but could pick up soon says OECD, Organisation for Economic Co-operation and Development (Paris) 14 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/austriasenforcementofforeignbriberylawstooweakbutcouldpickupsoonsaysoced.htm>.

¹³³⁹ Netherlands must significantly step up its foreign bribery enforcement, says OECD, Organisation for Economic Co-operation and Development (Paris) 14 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/netherlandsmustsignificantlystepupitsforeignbriberyenforcementsaysoced.htm>.

¹³⁴⁰ OECD seriously concerned by absence of foreign bribery convictions in Spain, Organisation for Economic Co-operation and Development (Paris) 14 December 2012. Date of Access: 26 January 2013.

<http://www.oecd.org/daf/briberyininternationalbusiness/oecdseriouslyconcernedbyabsenceofforeignbriberyconvictionsinspain.htm>.

interests impacting its operation.¹³⁴¹ As EFSA Executive Director Catherine Geslain-Laneelle stated, “the transparency initiative builds on a range of measures already undertaken by EFSA to increase understanding, strengthen scrutiny and build confidence in its work.”¹³⁴²

On 24 January 2013, the Internal Market Committee of the European Parliament approved European Union public procurement rules on concession contracts. According to Parliament’s rapporteur Phillipe Juvin, “[this] text establishes clear, pragmatic, and efficient rules at EU level and makes available additional tools to help public authorities develop and modernise public services [...]”¹³⁴³

On 24- 25 January 2013, the European Union funded project “EU Support to Law Enforcement” took place in Sarajevo, with a focus on the Implementation Review of the UNCAC by Bosnia and Herzegovina (BiH).¹³⁴⁴ During the workshop, Austrian experts shared their knowledge and experiences with their colleagues from BiH. Recommendations that resulted from the project will also be used for capacity building in order to enhance the effectiveness of the UNCAC’s implementation.¹³⁴⁵

On 5 February 2013, the European Commission adopted two proposals for the enhancement of the European anti-money laundering legislative framework: (1) a directive on the prevention of using the financial system for money laundering and terrorism financing (ML/TF)¹³⁴⁶ and (2) a regulation on information accompanying fund transfers to secure “due traceability” of the former.¹³⁴⁷ Both proposals focus on a more risk-based approach taking into account the latest

¹³⁴¹ EFSA Announces New Proposals Designed to Boost Transparency, The Parliament.com (Brussels) 17 January 2013. Date of Access: 11 February 2013.
<http://www.theparliament.com/latest-news/article/newsarticle/efsa-announces-new-proposals-designed-to-boost-transparency/>.

¹³⁴² EFSA Announces New Proposals Designed to Boost Transparency, The Parliament.com (Brussels) 17 January 2013. Date of Access: 11 February 2013.
<http://www.theparliament.com/latest-news/article/newsarticle/efsa-announces-new-proposals-designed-to-boost-transparency/>.

¹³⁴³ EU Public Procurement Concession Plans Approved by MEPs, New Europe (Brussels) 25 January 2013. Date of Access: 11 February 2013.
<http://www.neweurope.eu/article/eu-public-procurement-concession-plans-approved-meps>.

¹³⁴⁴ EU Support to Law Enforcement in Bosnia and Herzegovina, Federal Ministry of the Interior (Vienna) 25 January 2013. Date of Access: 12 February 2013.
http://www.lawenforcement-bih.eu/index.php?option=com_content&view=article&id=51:januar-25-2013-press-release-un-convention-against-corruption-uncac-workshop&catid=13&Itemid=180&lang=en.

¹³⁴⁵ EU Support to Law Enforcement in Bosnia and Herzegovina, Federal Ministry of the Interior (Vienna) 25 January 2013. Date of Access: 12 February 2013.
http://www.lawenforcement-bih.eu/index.php?option=com_content&view=article&id=51:januar-25-2013-press-release-un-convention-against-corruption-uncac-workshop&catid=13&Itemid=180&lang=en.

¹³⁴⁶ Proposal for a Directive of the European Parliament and of the Council on the Prevention of the Use of the Financial System for the Purpose of Money Laundering and Terrorist Financing, European Commission (Strasbourg) 5 February 2013. Date of Access: 12 February 2013.
http://ec.europa.eu/internal_market/company/docs/financial-crime/130205_proposal-directive-money-laundering_en.pdf.

¹³⁴⁷ Anti-Money Laundering: Stronger Rules to Respond to New Threats, European Commission (Brussels) 5 February 2013. Date of Access: 12 February 2013.
http://europa.eu/rapid/press-release_IP-13-87_en.htm.

FATF recommendations¹³⁴⁸ and promoting higher standards regarding anti-money laundering and terrorism financing: (1) more clear and consistent rules across Member States; (2) a clear mechanism to identify beneficial owners as well as record keeping by companies identifying those who stand behind the company; (3) improvement of customer due diligence through simplified procedures; (4) expanded provisions in regards to domestic politically exposed persons; (5) extended scope of threats and vulnerabilities; (6) the inclusion of the gambling sector with an explicit reference to tax crimes; (7) extending the FATF scope to all persons dealing in goods or services for cash payments of EUR7.5 thousand or more; and (8) strengthening cooperation among national Financial Intelligence Units (FIUs) for the dissemination of information regarding ML/TF.¹³⁴⁹

On 5 February 2013, the European Union also proposed a Directive of battling counterfeit euro currency. Advocated by Vice-President Viviane Reding, Vice-President Olli Rehn, and Commissioner for Taxation, Customs, Audit and Anti-Fraud Algirdas Šemeta, this directive requires the Member States to develop tools for investigating and combating currency counterfeiting, on par with fighting any other serious crime.¹³⁵⁰

On 18 March 2013, the European Union announced a new project in West Africa that will contribute to the fight against money laundering in Ghana, Nigeria, Senegal and Cape Verde.¹³⁵¹ EU Development Commissioner Andris Piebalgs stated: “[With] this new project, we will provide training, technical support — to establish electronic databases or secure e-mail for instance — to law enforcement agencies and foster cross-border exchanges among the public authorities.”¹³⁵² The project is worth EUR1.8 million and is funded under the Instrument for Stability and the Cocaine Route Program.¹³⁵³

On 9 April 2013, the European Commission announced a proposed Directive on disclosure requirements for the extractive and forestry industries.¹³⁵⁴ Commissioner Barnier stated, the position “will bring in a new era of transparency to an industry which is far too often shrouded in

¹³⁴⁸ European Commission report on the application of the Third Anti-Money Laundering Directive, European Commission (Brussels) 11 April 2012. Date of Access: 12 February 2013.

http://europa.eu/rapid/press-release_MEMO-12-246_en.htm?locale=en.

¹³⁴⁹ Anti-Money Laundering: Stronger Rules to Respond to New Threats, European Commission (Brussels) 5 February 2013. Date of Access: 12 February 2013.

http://europa.eu/rapid/press-release_IP-13-87_en.htm.

¹³⁵⁰ European Commission strengthens the protection of the euro by means of criminal law, European Union (Strasbourg) 5 February 2013. Date of Access: 7 February 2013.

http://europa.eu/rapid/press-release_IP-13-88_en.htm.

¹³⁵¹ The EU steps up its response to fight money laundering and drug trafficking in West Africa, European Commission (Brussels) 18 March 2013. Date of Access: 1 July 2013.

http://europa.eu/rapid/press-release_IP-13-230_en.htm.

¹³⁵² The EU steps up its response to fight money laundering and drug trafficking in West Africa, European Commission (Brussels) 18 March 2013. Date of Access: 1 July 2013.

http://europa.eu/rapid/press-release_IP-13-230_en.htm.

¹³⁵³ The EU steps up its response to fight money laundering and drug trafficking in West Africa, European Commission (Brussels) 18 March 2013. Date of Access: 1 July 2013.

http://europa.eu/rapid/press-release_IP-13-230_en.htm.

¹³⁵⁴ Statement by Commissioner Michel Barnier welcoming the agreement reached on disclosure requirements for the extractive industry and loggers of primary forests and on simpler accounting requirements for small companies, European Commission (Brussels) 9 April 2013. Date of Access: 1 July 2013.

http://europa.eu/rapid/press-release_MEMO-13-323_en.htm?locale=en.

secrecy and help fight tax evasion and corruption as well as create the framework so both companies and governments can be held to account on the use of revenues from natural resources.”¹³⁵⁵

On 22 May 2013, EU leaders agreed that the automatic exchange of tax information for large companies, a key measure for the prevention of tax evasion, will come into effect by the end of 2013.¹³⁵⁶ On 21 May 2013, EU Tax Commissioner Algirdas Semeta announced the establishment of a tax governance platform for monitoring national policies combating tax evasion.¹³⁵⁷

On 12 June 2013, European Parliament voted the new Accounting and Transparency Directives. Commissioner Barnier said: “We have created a framework where businesses and governments must disclose revenues from natural resources. This framework will also contribute to the fight against tax fraud and corruption.”¹³⁵⁸ The rules will take effect in 2015, and will apply to all listed and large unlisted companies registered in the European Union without exemption.

The European Union has ratified and is steadily moving towards the full implementation of the UNCAC. The European Union also remains engaged with the OECD Working Group on Bribery. Thus, the European Union is awarded a score of 0.

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Lead Analyst: Eleni Tsaliki*

¹³⁵⁵ Statement by Commissioner Michel Barnier welcoming the agreement reached on disclosure requirements for the extractive industry and loggers of primary forests and on simpler accounting requirements for small companies, European Commission (Brussels) 9 April 2013. Date of Access: 1 July 2013.

http://europa.eu/rapid/press-release_MEMO-13-323_en.htm?locale=en.

¹³⁵⁶ EU Leaders See "Momentum" to Tackle Tax Evasion, Fraud, Wall Street Journal (New York) 22 May 2013. Date of Access: 1 July 2013.

<http://online.wsj.com/article/BT-CO-20130522-710626.html>.

¹³⁵⁷ EU seeks quick deal on tax transparency, Euobserver (Brussels) 25 April 2013. Date of Access: 1 July 2013. <http://euobserver.com/economic/119943>.

¹³⁵⁸ Commissioner Barnier Welcomes European Parliament Vote On The Accounting And Transparency Directives, European Commission (Brussels) 12 June 2013. Date of Access: 1 July 2013.

http://ec.europa.eu/commission_2010-2014/barnier/headlines/speeches/2013/06/20130612_en.htm.

6. Finance: Basel Capital and Liquidity Framework

Commitment [#64]

“[In particular, we recognize the substantial progress to date in the priority reform areas identified by the FSB’s Coordination Framework for Implementation Monitoring (CFIM): the Basel capital and liquidity framework; the framework for global systemically important financial institutions (GSIFIs), resolution regimes, over-the-counter (OTC) derivatives reforms, shadow banking, and compensation practices.] We commit to complete work in these important areas to achieve full implementation of reforms.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil		0	
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan			+1
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.80	

Background

The Basel III framework on bank capital and liquidity standards is a continuation of Basel I, Basel II and Basel II.5 initiatives launched by the Basel Committee on Banking Supervision (BCBS). The BCBS proposed the Basel III framework as a response to the 2008 financial crisis, which exposed weaknesses in the capitalization structure of several globally significant banks, particularly in the United States and Europe. The Basel III framework aims to strengthen banking supervision in order to instil prudent practices in capital markets and foster a resilient international financial system.¹³⁵⁹

¹³⁵⁹ Strengthening the resilience of the banking sector, Basel Committee on Banking Supervision (Basel), December 2009. Date of Access: 23 March 2011. <http://www.bis.org/publ/bcbs164.htm>

Basel III reforms work on two tiers: the bank level, which aims to improve the resilience of individual banking institutions during periods of financial stress, and the macroprudential level, which aims to mitigate the procyclical amplification of system-wide risks that build up across the banking sector. Key elements of the new framework require financial institutions to strengthen the capital requirements (see Table 6-1) for counterparty credit risk exposures arising from derivatives, repos, and securities financing activities; increase transparency of the capital; adopt a leverage ratio that will help contain excessive risk-taking in the banking system; adopt countercyclical capital framework that will allow for build-up of capital buffers in good times that can be drawn upon in periods of stress; and adopt global minimum liquidity standards (see Table 6-2).¹³⁶⁰

Table 6-1: Basel Requirements for Risk-Weighted Assets (%)

Capital Requirements							Macroprudential overlay	
Common Equity			Tier 1		Total Capital		Counter Cyclical Buffer	Additional Loss-absorbing capacity for SIFIs
Min	Conservation Buffer	Total	Min	Total	Min	Total	Range	
4.5	2.5	7.0	6.0	8.5	8	10.5	0-2.5	1-2.5

Table 6-2: Global Liquidity Standards

Ratio	Calculation	Requirement	BCBS Objectives ¹³⁶¹
Liquidity Coverage Ratio	Stock of high-quality liquid assets divided by Total net cash outflows over the next 30 calendar days	Greater than one hundred percent	“Promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high-quality liquid assets to survive a significant stress scenario lasting 30 calendar days”
Net Stable Funding Ratio	Available amount of stable funding divided by Required amount of stable funding over a one-year period of extended stress	Greater than one hundred percent	“Promote resilience over a longer time horizon by creating additional incentives for banks to fund their activities with more stable sources of funding on an ongoing basis”

During the G20 Finance Ministers and Central Bank Governors meeting in Busan, Korea, on 5 June 2010, the dignitaries called on the BCBS to “propose internationally agreed rules to improve both quantity and quality of bank capital and to discourage excessive leverage and risk taking by the November 2010 Seoul Summit.”¹³⁶² The official Basel III framework was put forth by the BCBS to the international community on 26 July 2010.¹³⁶³ During the G20 Seoul Summit, 11-12 November 2010, *The Seoul Summit Document* outlined the leaders’ commitment to translate the

¹³⁶⁰ Strengthening the resilience of the banking sector, Basel Committee on Banking Supervision (Basel) December 2009. Date of Access: 23 March 2011. <http://www.bis.org/publ/bcbs164.htm>

¹³⁶¹ Basel III : International framework for liquidity risk measurement, standards and monitoring, Basel Committee on Banking Supervision (Basel) December 2010. Date of Access: 16 December 2012. <https://www.bis.org/publ/bcbs188.pdf>

¹³⁶² Communiqué – Meeting of Finance Ministers and Central Bank Governors, Presidential Committee For G20 Summit 5 June 2010. Date of Access: 20 April 2010. http://www.g20.org/Documents/201006_Communique_Busan.pdf

¹³⁶³ The Group of Governors and Heads of Supervision reach broad agreement on Basel Committee capital and liquidity reform package, Basel Committee on Banking Supervision (Basel) 27 July 2010. Date of Access: 19 April 2011. <http://www.bis.org/press/p100726.htm>

framework into national laws and regulations to be “implemented starting on January 1, 2013, and fully phased in by January 1, 2019.”

On 8 January 2012, the Group of Governors and Heads of Supervision (GHOS) met to discuss the Basel Committee for Banking Supervision’s “strategy for assessing implementation of the Basel regulatory framework.”¹³⁶⁴ The Basel Committee’s member countries accepted to “undergo a detailed peer review of its implementation of all components of the Basel regulatory framework.”¹³⁶⁵ This peer review “will assess implementation of Basel II and Basel II.5 (ie the July 2009 enhancements on market risk and resecuritisations)” as well as of Basel III. The objectives of the Committee’s reviews are to ensure that member states’ domestic rules and regulations comply with the international minimum standards and “to ensure consistency in practice across banks and jurisdictions.”¹³⁶⁶ The first series of peer reviews will be conducted in the first quarter of 2012 and will focus on the European Union, Japan and the United States.¹³⁶⁷

In October 2012, the Basel Committee on Banking Supervision updated its *Progress Report on Basel III Implementation*. The report shows that most jurisdictions have published draft or final rules; however, as per the BCBS Progress report, no single jurisdiction had final rules in force as of the report publication date.¹³⁶⁸

Commitment features

As Basel II and 2.5 are integral parts of Basel III and they were due to be implemented from end 2006 and end-2011 respectively, only measures concerning Basel III implementation are considered to be compliance with this commitment.

G20 members’ compliance with this commitment can be measured according to their performance in two key areas. First, G20 members are required to translate the Basel III framework into their national laws and regulations. Second, members must implement policies to align with the new capital and liquidity standards, beginning in 2013.

Thus, in order to comply fully with the commitment, members are required to take steps toward translating Basel III bank capital and liquidity standards into national laws and regulations. Such steps could include implementing measures consistent with the Basel III framework, initiating a public consultation process on Basel III guidelines, conducting regular stress tests to determine the health of major banks, or issuing a report assessing the regulators’ progress in implementing Basel III regulations. Since the deadlines for implementation of Basel III are set beyond the

¹³⁶⁴ Basel III liquidity standard and strategy for assessing implementation of standards endorsed by Group of Governors and Heads of Supervision, Basel Committee on Banking Supervision (Basel) 8 January 2012. Date of Access: 27 January 2012. <http://www.bis.org/press/p120108.htm>

¹³⁶⁵ Basel III liquidity standard and strategy for assessing implementation of standards endorsed by Group of Governors and Heads of Supervision, Basel Committee on Banking Supervision (Basel) 8 January 2012. Date of Access: 27 January 2012. <http://www.bis.org/press/p120108.htm>

¹³⁶⁶ Basel III liquidity standard and strategy for assessing implementation of standards endorsed by Group of Governors and Heads of Supervision, Basel Committee on Banking Supervision (Basel) 8 January 2012. Date of Access: 27 January 2012. <http://www.bis.org/press/p120108.htm>

¹³⁶⁷ Basel III liquidity standard and strategy for assessing implementation of standards endorsed by Group of Governors and Heads of Supervision, Basel Committee on Banking Supervision (Basel) 8 January 2012. Date of Access: 27 January 2012. <http://www.bis.org/press/p120108.htm>

¹³⁶⁸ Progress report on Basel III implementation (update published in October 2012), Basel Committee on Banking Supervision (Basel) 8 October 2012. Date of Access: 16 December 2012. <http://www.bis.org/publ/bcbs232.htm>

upcoming Saint Petersburg Summit, full implementation of Basel III regulations will not be required to be awarded a score for full compliance.

Scoring Guidelines

-1	Member fails to take any action or to declare intent to take action to translate the new bank capital and liquidity standards into national laws and regulations, as per the Basel III accords.
0	Member declares intent to take action to translate new bank capital and liquidity standards into national laws and regulations.
+1	Member takes action to translate the new bank capital and liquidity standards into national laws and regulations, as per the Basel III accords.

Compliance Co-director: Alexandre De Palma

Argentina: +1

Argentina has complied with its commitment to implement the financial sector reform agenda set in the Basel III framework.

On 8 October 2012 a Reuters report outlining the compliance status of countries with Basel III rules states that Argentina has not yet drafted proposals on the Basel III regulation.¹³⁶⁹

In October 2012, the BCBS and the BIS released their updated progress report on Basel III implementation. According to the report, Argentina received classification 1 (of 4) on status of both Basel II.5 and Basel III adoption for lack of progress made towards the adoption of regulatory rules. Furthermore, the country is still under assessment of the migration from Basel I to the Basel II standards.¹³⁷⁰

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. According to the report, Argentina received classification 3, 4 (of 4) on Basel II, classification 1, 4 (of 4) in the Basel II.5, and classification 3, 4 (of 4) on Basel III regulatory framework for their partial compliance. The report mentions that the final rules for Pillar 1 credit and Pillar 2 of Basel II, rules relating to enhancements to securitization of Basel II.5, and the final rules for Pillar 1 and 2 of Basel III came into force on 1 January 2013. The report notes that the final Pillar 3 rules of Basel II and Basel III were published on 8 February 2013, and they will come into force on 31 December 2013.¹³⁷¹

Argentina has published final rules pertaining to the implementation of Basel III, some of which are already into force since 1 January 2013. It has thus been awarded a score of +1.

Analyst: Jeonggyu Han

¹³⁶⁹ Tougher bank rules set for patch global start, Reuters, 8 October 2012. Date of Access: 3 January 2013. <http://www.reuters.com/article/2012/10/08/us-banks-rules-delay-idUSBRE8970JX20121008>

¹³⁷⁰ Progress report on Basel III implementation, Bank of International Settlements and Basel Committee on Banking Supervision (Basel) October 2012. Date of Access: 3 January 2013. <http://www.bis.org/publ/bcbs232.pdf>

¹³⁷¹ Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

Australia: +1

Australia has fully complied with its commitment to take action to implement the new bank capital and liquidity requirements set in the Basel III framework.

On 28 September 2012, the Australian Prudential Regulation Authority “released a final set of prudential standards and reporting standards that give effect to major elements of the Basel III capital reforms in Australia.” This regulatory package redefines regulatory capital to make common equity “the predominant form of Tier 1 capital,” changes the approach to regulatory adjustments so that “most deductions from capital are to be from Common Equity Tier 1 capital,” increases “the minimum amounts of capital that ADIs [Authorised Deposit-taking Institutions] must hold against the risks they face,” sets “a new capital conservation buffer of 2.5 per cent that places increasing constraints on capital distributions,” implements “a countercyclical buffer of up to 2.5 per cent” applicable when systemic risk builds-up, and defines a “leverage ratio to help contain the build-up of leverage in the banking system.”¹³⁷²

On 13 November 2012, the Australian Prudential Regulation Authority “released a package of final measures that completes APRA’s implementation of the Basel III capital reforms for authorised deposit-taking institutions (ADIs) in Australia.” This package includes “APRA’s response to submissions received on its proposed requirements for counterparty credit risk capital and other measures.” The regulator further indicates “[in] 2013, APRA will begin consultations on the Basel III disclosure requirements.”¹³⁷³

On 6 May 2013 the Australian Prudential Regulation Authority released a consultation package in which it confirmed that “the Liquidity Coverage Ratio will become effective from 1 January 2015 and the Net Stable Funding Ratio from 1 January 2018.”¹³⁷⁴

On 26 June 2013 the Australian Prudential Regulation Authority released “a final Prudential Standard APS 330 Public Disclosure relating to Pillar 3 disclosures on the composition of capital and on remuneration by authorised deposit-taking institutions (ADIs) in Australia. These disclosure requirements form part of APRA’s implementation of the Basel III capital reforms.” The measures call for authorized deposit-taking institutions to disclose further “information on their capital adequacy; full details of the terms and conditions of each regulatory capital instrument; and a reconciliation between their regulatory capital and financial statements.”¹³⁷⁵

Australia has released its final regulatory package on Capital reforms and has thus fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework. Australia has thus been awarded the score of +1.

¹³⁷² APRA releases final Basel III capital reform package, Australian Prudential Regulation Authority (Sydney), 28 September 2012. Date of Access: 22 February 2013.

http://www.apra.gov.au/MediaReleases/Pages/12_23.aspx

¹³⁷³ APRA releases final package to implement Basel III capital reforms, Australian Prudential Regulation Authority (Sydney), 13 November 2012. Date of Access: 22 February 2013.

http://www.apra.gov.au/mediareleases/pages/12_29.aspx

¹³⁷⁴ APRA releases second consultation package on Basel III liquidity reforms, Australian Prudential Regulation Authority (Sydney), 6 May 2013. Date of Access: 21 July 2013.

http://www.apra.gov.au/MediaReleases/Pages/13_10.aspx

¹³⁷⁵ APRA releases final package on disclosure of composition of capital and remuneration, Australian Prudential Regulation Authority (Sydney), 26 June 2013. Date of Access: 21 July 2013.

http://www.apra.gov.au/MediaReleases/Pages/13_20.aspx

Brazil: 0

Brazil has partially complied with its commitment to take action to implement the new bank capital and liquidity requirements set in the Basel III framework.

At the G-20 Conference on Financial Systemic Risk held in Istanbul in September 2012, Luiz Awazu Pereira da Silva, Deputy Governor of Central Bank of Brazil, presented findings from the most recent IMF Financial Sector Assessment Program (FSAP) for Brazil.¹³⁷⁶ Published in July 2012, the report stated that both micro and macro-prudential oversight was considered to be strong within the financial sector while stress tests suggested that the banking system was resilient to a variety of shocks. It went on further to say that progress had been made in implementing the recommendations of the initial FSAP from 2002 to “strengthen supervision and regulation, and compliance with international standards is high, especially in banking supervision.”¹³⁷⁷ It acknowledged the Brazilian Central Bank’s wide-ranging powers and well-developed banking supervision, which reflects very high compliance with the Basel Core Principles.¹³⁷⁸ Moreover, Mr. Pereira da Silva added that Brazilian banks’ capital adequacy ratio of 11 per cent was above the Basel minimum of 8 per cent for risk weighted assets.

At end-May 2012, the Basel Committee on Banking Supervision awarded Brazil a score of 2 out of 4 for publishing draft regulations.¹³⁷⁹ In addition, at a meeting held on 13-14 December, 2012, the Basel Committee indicated that Brazil was working as quickly as possible to present final versions of Basel III regulations.¹³⁸⁰ On 14 December 2012 however, Reuters reported that Brazil’s central bank and the country’s banking federation, Febraban, were discussing the possibility of delaying implementation of tighter capital rules for banks due to the fact that state-controlled banks may require funds from the treasury to meet Basel III regulatory standards, which could potentially undermine economic recovery.¹³⁸¹

On 1 March 2013, Banco Central do Brasil, the Central Bank of Brazil, released four resolutions issued by the National Monetary Council and pertaining to the adjustment of Brazil’s regulations

¹³⁷⁶G-20 Conference on Financial Systemic Risk, Istanbul: Financial Stability & Systemic Risk in Brazil: Ensuring Stability in a “New Normal” Environment – Presentation by Luiz Awazu Pereira da Silva, Banco Central do Brasil, September 2012. Date of Access: 2 January 2013

http://www.bcb.gov.br/pec/apron/apres/Apresentacao_Luiz_Pereira_G-20_Conference_Istanbul.pdf

¹³⁷⁷IMF Country Report No. 12/206 – Brazil: Financial Assessment Stability Program, July 2012. Date of Access: 2 January 2013, Page 1

<http://www.imf.org/external/pubs/ft/scr/2012/cr12206.pdf>

¹³⁷⁸IMF Country Report No. 12/206 – Brazil: Financial Assessment Stability Program, July 2012. Date of Access: 2 January 2013, Page 29

<http://www.imf.org/external/pubs/ft/scr/2012/cr12206.pdf>

¹³⁷⁹Report to G20 Leaders on Basel III Implementation, Bank of International Settlements and Basel Committee on Banking Supervision (Basel) June 2012. Date of Access: 2 January 2013.

<http://www.bis.org/publ/bcbs220.pdf>

¹³⁸⁰Press Release, Bank of International Settlements and Basel Committee on Banking Supervision (Basel) December 2012. Date of Access: 2 January 2013.

<http://www.bis.org/press/p121214a.htm>

¹³⁸¹Brazil may delay adoption of Basel III rules – report, Reuters (New York) 14 December 2012. Date of Access: 2 January 2013. <http://www.reuters.com/article/2012/12/14/brazil-economy-basel-idUSL1E8NE19G20121214>

on capital requirements for banks.^{1382,1383,1384,1385} On 12 March 2013, Walter Stubel Consultoria Juridica, a consultancy, published on Mondaq an analysis of these resolutions. Resolution 4.192 defines a “new regulatory capital calculation methodology.” Resolution 4.193 determines “new capital maintenance requirement calculation methodology, adopting minimum requirements” for Equity Reference, Equity Tier 1, and Common Equity, while introducing “Additional Common Equity.” Resolution 4.194 is defines an “optional new minimum capital requirements calculation methodology for credit unions [...] by determining the amount of risk-weighted assets (RWA) in simplified form, known as Simplified Prudential Regime.” Resolution 4.195 explains “the new way of preparation and remittance of aggregate information through the Analytical Trial Balance Sheet — Prudential Conglomerate [...]. Prudential conglomerate is a new type of consolidated financial statement which will be the basis for calculation of capital requirements and Additional Common Equity of financial groups.”¹³⁸⁶

Brazil has taken regulatory steps to translate the new bank capital and liquidity standards international laws and regulations, as per the Basel III accords. Banco Central do Brasil published several final rules that have yet to come into force. Brazil has thus been awarded a score of 0.

Analyst: Laila Kanji

Canada: +1

Canada has fully complied with its commitment to take action to implement the new bank capital and liquidity requirements set in the Basel III framework.

On 10 December 2012, the Office of the Superintendent of Financial Institutions (OSFI) has issued “the final version of the revised Capital Adequacy Requirements (CAR) Guideline” for implementation of Basel III capital rules in Canada which governs capital rules for banks, trust and loan companies and cooperative retail associations operating in Canada. The capital standards set out in this guideline provide the framework within which the OSFI assesses whether a bank or a trust or loan company maintains adequate capital pursuant to the Subsection 485(1) of the *Bank Act* (BA) and subsection 473(1) of the *Trust and Loan Companies Act*. For this purpose, the OSFI has established two minimum standards: the assets to capital multiple, and the risk-based capital

¹³⁸² RESOLUÇÃO Nº 4.192, DE 1º DE MARÇO DE 2013, Banco Central do Brasil (Brasilia), 1 March 2013. Date of Access: 21 July 2013.

http://www.bcb.gov.br/pre/normativos/res/2013/pdf/res_4192_v1_O.pdf

¹³⁸³ RESOLUÇÃO Nº 4.193, DE 1º DE MARÇO DE 2013, Banco Central do Brasil (Brasilia), 1 March 2013. Date of Access: 21 July 2013.

http://www.bcb.gov.br/pre/normativos/res/2013/pdf/res_4193_v1_o.pdf

¹³⁸⁴ RESOLUÇÃO Nº 4.194, DE 1º DE MARÇO DE 2013, Banco Central do Brasil (Brasilia), 1 March 2013. Date of Access: 21 July 2013.

http://www.bcb.gov.br/pre/normativos/res/2013/pdf/res_4194_v1_O.pdf

¹³⁸⁵ RESOLUÇÃO Nº 4.195, DE 1º DE MARÇO DE 2013, Banco Central do Brasil (Brasilia), 1 March 2013. Date of Access: 21 July 2013.

http://www.bcb.gov.br/pre/normativos/res/2013/pdf/res_4195_v1_O.pdf

¹³⁸⁶ The Brazilian Regulator Implements The Recommendations Of Basel III, Mondaq (London), 12 March 2013. Date of Access: 21 July 2013.

<http://www.mondaq.com/x/225910/Fund+Management+REITs/THE+BRAZILIAN+REGULATOR+IMPLEMENTATIONS+THE+RECOMMENDATIONS+OF+BASEL+III>

ratio. The first test provides an overall measure of the adequacy of an institution's capital. The second measure focuses on risk faced by the institution.¹³⁸⁷

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. The reports state that regarding Canada, the final rules are already applicable: "the domestic legal and regulatory framework is already applied to banks."¹³⁸⁸

Canada has been awarded a score of +1 for enactment of Basel III standards, for its inclusion of Basel III into its regulatory framework.

Analyst: Vitali Selivanov

China: +1

China continues its progress towards the implementation of the Basel III standards and has thus complied with its commitment.

On 07 June 2012, China Banking Regulatory Commission released the "Regulation Governing Capital of Commercial Banks (Provisional)." This provisional regulation lays out "general provisions on regulatory capital requirements, capital adequacy ratio calculation, definition of capital, calculation of credit risk, market risk, operational risk, ICAAP and Pillar II capital charge, as well as Pillar III requirement on information disclosure." More specifically, CBRC's proposed Capital regulatory framework is in line with Basel III recommendations, as it consists of "a minimum requirement (5% for CET1, 6% for T1 and 8% for total), a 2.5% capital conservation buffers and a counter-cyclical buffer between 0-2.5% as the second tier, and the 1% SIFI surcharge as the third tier."¹³⁸⁹

On 29 November 2012, Wang Zhaoxing, Vice Chairman of the China Banking Regulatory Commission (CBRC) made it clear that the Chinese financial regulatory authorities will unswervingly implement the new international capital regulatory standards, in face of the potential delay of implementation in the United States and European Union.¹³⁹⁰

On 7 December 2012 "[the] CBRC issued the Notice on the Transitional Arrangements for the Implementation of Capital Rules for Commercial Banks (Trial)" that aims to "clarify the supervisory requirements for the annual capital adequacy ratio (CAR) in transitional period, [...]"

¹³⁸⁷ Capital Adequacy Requirements (CAR) 2013, Office of the Superintendent of Financial Institutions Canada (Ottawa), 10 December 2012. Date of Access: 22 February 2013. www.osfi-bsif.gc.ca/osfi/index_e.aspx?ArticleID=5050

¹³⁸⁸ Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

¹³⁸⁹ The CBRC issued the Regulation Governing Capital of Commercial Banks (Provisional), China Banking Regulatory Commission (Beijing), 07 June 2012. Date of Access: 22 February 2012. <http://www.cbrc.gov.cn/EngdocView.do?docID=AB70AFA9BF4D4E51BFA5D90734894692>

¹³⁹⁰ China's State Council has approved Basel III will be implemented on schedule, Sina Finance, 29 November 2012. Date of Access: 7 January 2013. http://finance.sina.com.cn/money/bank/bank_hydt/20121129/180713843935.shtml

raise differentiated requirements for different categories of banks, [...]” and “propose regulatory measures in the transitional period.”¹³⁹¹

On 7 December 2012 “The CBRC released Notification on implementation of Rules Governing Capital Management of Commercial Banks (Provisional) in [the] Transitional Period” that leads to 01 January 2019, at which date “the commercial banks should meet the capital adequacy ratio (CAR) requirements.” The notification asks commercial banks to meet the minimum capital requirements by 01 January 2013, and further requires “commercial banks [to] calculate the CAR on both non-consolidated and consolidated basis, and at the same time meet annual CAR requirements in the transition period.”¹³⁹²

In December 2012, CBRC announces its published timetable to Chinese banks on implementing Basel III, in which China’s large banks must reach a capital adequacy ratio of nine point five per cent by the end of 2013, and 11.5 per cent by the end of 2018. Specifically CBRC said it is a phased compliance to meet the two point five per cent of the counter-cyclical capital reserve requirements; banks need to reach zero point five per cent by the end of 2013, and the annual increase of zero point four per cent in the subsequent five years.¹³⁹³

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. The reports state that regarding China, the final rules are already applicable: “the domestic legal and regulatory framework is already applied to banks.”¹³⁹⁴

China has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework and thus been awarded the score of +1.

Analyst: Katherine Wang

France: +1

France, as a member of the European Union subject to the Union’s regulations and directives, has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio (EBA/CP/2012/06) and comments could be made on the consultation paper until 27 August

¹³⁹¹ The CBRC issued the Notice on the Transitional Arrangements for the Implementation of Capital Rules for Commercial Banks (Trial), China Banking Regulatory Commission (Beijing), 07 December 2012. Date of Access: 2 February 2012.

¹³⁹² The CBRC released Notification on implementation of Rules Governing Capital Management of Commercial Banks (Provisional) in Transitional Period, China Banking Regulatory Commission (Beijing), 07 December 2012. Date of Access: 2 February 2012.

¹³⁹³ China Announces a Phased Implementation of Basel III, Financial Times (China), 10 December 2012.

Date of Access: 6 January 2013. <http://www.ftchinese.com/story/001047934>

¹³⁹⁴ Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission.¹³⁹⁵

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions (EBA/CP/2012/04) and comments could be made on the consultation paper until 31 July 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission. Although the deadline set in the CRR for EBA to finalize these ITS is 31 December 2013, the EBA intends to submit them “within a shorter timeframe,” as the CRR disclosure requirements will be applicable from 1 January 2013.¹³⁹⁶

On 12 June 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context (EBA/CP/2012/07) and comments could be made on the consultation paper until 12 August 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take into account the final text of the CRR. The EBA’s intention is that these RTS will form part of the general RTS on own funds, which it consulted on in April 2012. These RTS must be submitted to the European Commission by 1 January 2013.¹³⁹⁷

On 21 June 2012, the European Parliament’s Economic and Monetary Affairs Committee (ECON) published the reports that it has adopted on the proposed CRD IV Directive (dated 30 May 2012) and the Capital Requirements Regulation (CRR) (dated 12 June 2012). ECON voted to adopt these reports on 14 May 2012. The reports contain draft legislative resolutions for the European Parliament with proposed amendments to the CRD IV Directive and the CRR. They will, among other things, implement the main Basel III reforms in the EU.^{1398,1399}

¹³⁹⁵ EBA consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP06/CP06-CP-on-ITS-Leverage-Ratio-Reporting.pdf>

¹³⁹⁶ EBA consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP04/EBA-CP-2012-04--CP-on-ITS-disclosure-for-own-funds-.pdf>

¹³⁹⁷ EBA consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP07/EBA-CP-2012-07--CP-on-RTS-Gain-on-Sale-on-securitisations-.pdf>

¹³⁹⁸ The European Parliament’s Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the proposed CRD IV Directive, European Parliament’s Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0170+0+DOC+PDF+V0//EN>

The Parliament was scheduled to consider these resolutions at its plenary session to be held between 2 and 5 July 2012.

In its July 2011 legislative proposals, the Commission stated that the “CRR and the CRD IV Directive were intended to come into force on 1 January 2013, with full implementation of their requirements by 1 January 2019.” Member states were expected to transpose the CRD IV Directive into national law by 31 December 2012, which follows the timelines expected by the BCBS for Basel III implementation.

On 10 July 2012, the Council published a press release concerning a meeting of ECOFIN held on 10 July 2012. The press release stated that negotiations between the EU authorities on the CRD IV Directive are almost complete and that talks are now focused on the CRR. “The negotiations with the Parliament are aimed at adoption of the regulation and directive at first reading. Outstanding issues include a proposed flexibility package, bankers’ remuneration, crisis management, sanctions, the balance of power between the authorities of “home” and “host” countries, corporate governance, and powers to be given to the European Banking Authority (EBA).”¹⁴⁰⁰

On 11 July 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09) and comments could be made on the consultation paper until 15 September 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take the final text of the CRR into account. The RTS must be submitted to the European Commission by 1 January 2013.¹⁴⁰¹

On 17 July 2012, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/10) and comments could be made on the consultation paper by 30 September 2012. The consultation is based on the draft CRR as proposed by the European Commission in July 2011. Although the EBA has taken into account significant changes subsequently proposed during the legislative

¹³⁹⁹ The European Parliament's Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the Capital Requirements Regulation (CRR), European Parliament's Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0171%2b0%2bDOC%2bPDF%2bV0%2f%2fEN>

¹⁴⁰⁰ Press Release 12204/12, 3181st Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels), 10 July 2012. Date of Access: 6 January 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/131686.pdf

¹⁴⁰¹ EBA consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk, European Banking Authority (London) 11 July 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP09/EBA-CP-2012-09-CP-credit-valuation-risk.pdf>

procedure, the draft RTS may be amended after consultation to take into account the final CRR text. The RTS must be submitted to the Commission by 1 January 2013.¹⁴⁰²

On 31 July 2012, the European Banking Authority (EBA) has published a press release announcing a concerning the timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting.

In the press release, the EBA announces that the finalization of the ITS for supervisory reporting has been pushed back pending the adoption by the EU authorities of the CRR.

It suggests that the implementation date for the full ITS requirements relating to financial information (FINREP) should be set to 1 January 2014 and that further decisions on phasing in other data requirements may be taken once the CRR itself is finalised.¹⁴⁰³

On 2 August 2012, the European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process. The EBF stated that it has learned that the Council of the EU has suspended its work on CRD IV until September 2012 and that the European Parliament has decided to vote on the legislation “at the end of October.” In July 2012 the Parliament suggested that it would consider CRD IV at its 10 to 13 September 2012 plenary session. However, this indicative date has since been removed from the Parliament website and the draft agenda for the 10 to 13 September plenary session no longer referred to CRD IV.¹⁴⁰⁴

The European Banking Industry Committee (EBIC) sent (and published) a letter to the EU institutions, calling for a reasonable period of time between the final text and implementation to allow banks to put in place the necessary procedures to comply with the new rules since the implementation “cannot possibly be achieved within a timeframe of one or two months.”¹⁴⁰⁵

On 29 August 2012, the European Banking Authority (EBA) published a press release announcing revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation. The EBA has published these documents ahead of a workshop on 13 September 2012. The press release emphasises that these versions should not be considered as final products and that the EBA will

¹⁴⁰² EBA consultation paper on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR), European Banking Authority (London) 17 July 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP10/EBA-CP-2012-10-CP-on-RTS-on-SCRAs-and-GCRAs.pdf>

¹⁴⁰³ EBA Press Release announcing a concerning the timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting (London) 31 July 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-the-finalisation-and-implementation-of-t.aspx>

¹⁴⁰⁴ European Parliament website and the draft agenda (Brussels) 2 August 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/indexPartSession.do?reference=2012-09&language=EN>

¹⁴⁰⁵ European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process (Brussels) 2 August 2012. Date of Access: 6 January 2013. [http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20\(2\).pdf](http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20(2).pdf)

deliver the final draft templates and DPM to the European Commission for endorsement once the final text of the CRD IV legislation has been agreed.¹⁴⁰⁶

On 31 August 2012, the Joint Committee of the European Supervisory Authorities (ESAs) (that is, EBA, EIOPA and ESMA) published a joint consultation paper (JP/CP/2012/02) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (FICOD). Comments could be made on the consultation paper by 5 October 2012. The draft RTS may be amended after consultation to take into account the final texts of the CRR and the CRD IV Directive. The RTS must be submitted to the Commission by 1 January 2013.¹⁴⁰⁷

On 18 September 2012, the European Banking Authority (EBA) published a list of responses it has received to its July 2012 consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09).¹⁴⁰⁸

On 22 October 2012, the European Banking Authority (EBA) published a report (dated September 2012) on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (CRR).¹⁴⁰⁹

On 9 November 2012, the European Banking Authority (EBA) published its second consultation on draft regulatory technical standards (RTS) on own funds under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/11). This consultation relates to the identification of mutuals, co-operatives and similar institutions. Comments can be made on the consultation paper by 21 December 2012. The July 2011 text of the CRR requires these RTS to be submitted to the Commission by 1 January 2013.

The consultation forms the second part of the EBA's consultation on RTS relating to own funds, the first part of which was published in April 2012. The EBA expects that the legal texts resulting from these consultations on own funds, and subsequent consultations to be published later in 2012, will be merged into a single act.¹⁴¹⁰

On 13 November 2012, the European Banking Authority (EBA) published a discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital

¹⁴⁰⁶ EBA Press Release announcing a revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation (London) 29 August 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/EBA-workshop-on-technical-standards-on-supervisory.aspx>

¹⁴⁰⁷ Joint consultation paper of the European Supervisory Authorities (ESAs) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (London, Frankfurt, Paris) 31 August 2012. Date of Access: 6 January 2013. <http://www.esma.europa.eu/system/files/jc-cp-2012-02-.pdf>

¹⁴⁰⁸ List of responses published by the European Banking Authority on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (London) 18 September 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/2012/EBA-CP-2012-09/Responses-to-EBA-CP-2012-02.aspx>

¹⁴⁰⁹ EBA report on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (London) 22 October 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/EBA-SME-Report.pdf>

¹⁴¹⁰ EBA's second consultation on RTS relating to own funds (London) 9 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP11/EBA-BS-2012-211-final-for-publication--Consultation-paper-on-draft-RTS-on-Article-25-2--a--.pdf>

Requirements Regulation (CRR) (EBA/DP/2012/03). Comments can be made on the discussion paper by 13 January 2013. The EBA intends to publish a consultation paper on the draft RTS before submitting them to the Commission. The 11 May 2012 draft of the CRR requires these RTS to be submitted to the Commission by 31 December 2013.¹⁴¹¹

On 13 November 2012, the Council of the EU has published a press release concerning a meeting of the Council, in its configuration as the Economic and Financial Affairs Council (ECOFIN), where ECOFIN remains committed to reaching an agreement with the European Parliament before the end of 2012 on the CRD IV legislation. The press release states that ECOFIN's objectives include "maintaining the balance" achieved in its May 2012 general approach on CRD IV.¹⁴¹²

On 21 November 2012, the European Banking Federation (EBF) sent a letter to Michel Barnier, European Commissioner for Internal Market and Services, formally requesting "the postponement of the entry into force of the CRR/CRD IV until 1 January 2014," (which it considers would be a more reasonable timeframe) in the light of the announcement by US regulators that there would be an indefinite delay to their implementation of Basel III.¹⁴¹³ Similar letters have been addressed to the Presidency of the Council of the European Union and the European Parliament rapporteur.¹⁴¹⁴

On 24 November 2012, European banks have asked the European Commission to postpone the introduction of Basel III by a year to 2014 after U.S. regulators delayed application of the new requirements. Brussels is also worried that Washington's decision to ignore the deadline will put European banks at a disadvantage to U.S. rivals.¹⁴¹⁵

On 24 November 2012, a spokesman for Mr Barnier is quoted as saying that the CRD IV negotiations between the Council and the Parliament will be wrapped up in the coming weeks, and that Mr Barnier will seek clarity from the US and work for a co-ordinated US-EU approach.¹⁴¹⁶

¹⁴¹¹ EBA discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (London) 13 November. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Discussion%20Papers/DP%202012%2003/EBA-DP-2012-03--RTS-on-Prudent-Valuation---Final.pdf>

¹⁴¹² Press Release 16051/12, 3198th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 13 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/133470.pdf

¹⁴¹³ European Banking Federation (EBF) letter to Member of the European Commission concerning entry into force of the CRR/CRD IV (Brussels) 21 November 2012. Date of Access: 6 January 2013. <http://www.ebf-fbe.eu/uploads/0374C-D2140A-2012-EBF%20President%20Draft%20letter%20to%20Barnier%20over%20US%20postpone....pdf>

¹⁴¹⁴ EBA letter to Member of the European Commission (London) 5 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-05--Letter-on-draft-CRR---EBA-Op-2012-03-.pdf>

¹⁴¹⁵ EU To Follow US In Delaying The Implementation Of Basel III, International Business Times (Washington, D.C.) 27 November 2012. Date of Access: 6 January 2013. <http://www.ibtimes.com/eu-follow-us-delaying-implementation-basel-iii-903024>

¹⁴¹⁶ European banks call for capital rule delay, The Telegraph (London) 24 November 2012. Date of Access: 6 January 2013. <http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9700443/European-banks-call-for-capital-rule-delay.html>

On 27 November 2012, the European Banking Authority (EBA) published a letter (dated 21 November 2012), sent to Michel Barnier, European Commissioner for Internal Market and Services, relating to the proposed Capital Requirements Regulation (CRR).¹⁴¹⁷

The Parliament is expected to consider CRD IV at its plenary session to be held between 10 and 13 December 2012.

A Council of the EU progress report dated 29 November 2012 stated that the Presidency still aimed to reach political agreement on CRD IV by the end of 2012.¹⁴¹⁸

A press release issued after the ECOFIN meeting on 4 December 2012 stated that the Council “confirmed its commitment to reach an agreement with the Parliament before the end of the year.” “Further political trilogues are scheduled for 11 and 13 December in Strasbourg.”¹⁴¹⁹

The Parliament is expected to consider the SSM proposals during its plenary session to be held between 10 and 13 December 2012.¹⁴²⁰

On 11 December 2012, the Director of International Affairs of the “Autorité de Contrôle Prudentiel” expressed his opinion that the entry into force would be pushed back between June and December 2013.¹⁴²¹

On 17 December 2012, the European Commission has published a speech given by Michel Barnier, European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (SSM).¹⁴²²

In the speech, Mr Barnier commented that the ongoing trialogues on CRD IV will result in political agreement “very soon.” He stressed, however, the need for a “co-ordinated approach” with the US on implementing Basel III.¹⁴²³

On 20 December 2012, the European Banking Authority (EBA) issued a press release providing an update on its work on supervisory reporting requirements required by the proposed Capital

¹⁴¹⁷ EBA letter to Member of the European Commission concerning the proposed Capital Requirements Regulation (CRR) (London) 21 November 2012. Date of Access: 6 January 2013. to <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-21--Letter-on-floors---EBA-Op-2012-04-.pdf>

¹⁴¹⁸ Council of the European Union progress report on CRD IV (Brussels) 29 November 2012. Date of Access: 6 January 2013. <http://register.consilium.europa.eu/pdf/en/12/st16/st16677.en12.pdf>

¹⁴¹⁹ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/134037.pdf

¹⁴²⁰ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/134037.pdf

¹⁴²¹ Les régulateurs attendent un report de Bâle 3 dans l'UE, Reuters France (Paris) 11 December 2012. Date of Access: 6 January 2013. <http://fr.reuters.com/article/businessNews/idFRPAE8BA0502012121111/12/2012>

¹⁴²² Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

¹⁴²³ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

Requirements Regulation (CRR). The EBA describes the templates and instructions as “preliminary and informal in nature,” given the pending adoption of the final CRR text.

In the press release, the EBA stated that it intended to continue its existing work collecting and analysing information on the liquidity coverage ratio (LCR), which it started at the beginning of 2012. The EBA will continue this exercise on a quarterly basis and will expand its scope to include reporting on the net stable funding and leverage ratio and to increase the number of firms involved.

The EBA intends to launch a consultation on the data point model for leverage and liquidity reporting in the first quarter of 2013.

The EBA will publish a final draft ITS as soon as the CRR text is finalized, together with revised templates and instructions reflecting the final CRR text. The EBA expects that not more than one year will be needed to implement these new reporting provisions and it envisages that the first remittance dates will fall in the first quarter of 2014 for the full ITS requirements on liquidity and leverage.¹⁴²⁴

The next dialogues on the CRD IV package of reforms between the Council of the EU, the European Parliament and the Commission will be continuing in January, with an indicative plenary sitting date on 12 January 2012.¹⁴²⁵

On 21 February 2013, the EBA has published a discussion paper on defining liquid assets in the liquidity coverage ratio (LCR) under the draft CRR¹⁴²⁶. In a press release that accompanied the discussion paper, the EBA stated that the draft CRR text stipulates that the EU Commission will adopt a delegated act by 30 June 2014 to implement the LCR in EU regulation.¹⁴²⁷

On the same day, the EBA also published a discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR.¹⁴²⁸

On 27 February 2013, Council of the EU published a press release announcing that the Council has reached provisional political agreement at dialogue with the European Parliament on CRD

¹⁴²⁴ EBA Press Release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (London) 20 December 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-supervisory-reporting-requirements-for-1.aspx>

¹⁴²⁵ European Parliament website and the draft agenda (Brussels) 11 January 2013. Date of Access: 11 January 2013. <http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0203%28COD%29&l=en#kEyEvents>

¹⁴²⁶ EBA discussion paper on defining liquid assets in the LCR under the draft CRR (London) 21 February 2013. Date of Access: June 26 2013. <http://www.eba.europa.eu/documents/10180/42030/DP-on-defining-liquid-assets-in-the-LCR.pdf/8d39f0bc-248e-4185-8cda-7f7ff153b644?version=1.0>

¹⁴²⁷ EBA Press Release on the process to define highly liquid assets in the Liquidity Coverage Ratio (LCR) (London) 21 February 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/eba-consults-on-the-process-to-define-highly-liquid-assets-in-the-liquidity-coverage-ratio-lcr->

¹⁴²⁸ EBA discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR (London) 21 February 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/discussion-paper-on-retail-deposits-subject-to-higher-outflows-for-the-purposes-of-liquidity-reporting-under-the-capital-requirements-regulation-crr->

IV.¹⁴²⁹ The provisional agreement needs to be formally endorsed by the Council and by the Parliament before it is final. There will also be significant further technical work to complete the details of the legislation.

The Council press release states that the agreement on CRD IV will be considered by the Council of the EU at its meeting on 5 March 2013 in its configuration as the Economic and Financial Affairs Council (ECOFIN).

On 28 February 2013, the Parliament published a press release on the provisional agreement and stated that member states will be required to transpose the CRD IV Directive by 1 January 2014.¹⁴³⁰ The Parliament press release states that it will vote on CRD IV in its 15 to 18 April plenary session. The Parliament had previously indicated the vote would take place at the 20 to 23 May 2013 session.

On 1 March 2013, the Council published a background note on the provisional agreement, and sets out the five major compromises that was reached between the Council and the Parliament on five key issues.¹⁴³¹

On 5 March 2013, the Council of the EU published a report from the Council Presidency to the Council on political agreement that was reached on CRD IV at a trialogue on 27 February 2013 which included a summary of the key issues that were reached.¹⁴³² The Presidency invites the Council to endorse the provisional agreement reached on 27 February 2013 and to continue negotiations with the European Parliament to reach agreement at first reading as soon as possible.

On 5 March 2013, the Council of the EU published a press release announcing, in its configuration as the Economic and Financial Affairs Council (ECOFIN), it had “broadly endorsed” the provisional political agreement reached on CRD IV in a trialogue on 27 February 2013.¹⁴³³ On that basis, the Council has mandated the Permanent Committee of Representatives (COREPER) to finalise negotiations with the European Parliament on outstanding technical issues with the aim of reaching a final deal in the second half of March 2013.

On 11 March 2013, the EBA published a consultation on draft regulatory technical standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal

¹⁴²⁹ Council of the European Union press release on provisional political agreement at trialogue with the European Parliament on CRD IV (Brussels) 27 February 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/135718.pdf

¹⁴³⁰ The European Parliament's Economic and Monetary Affairs Committee (ECON) press release on provisional agreement reached (Brussels) 28 February 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/news/en/pressroom/content/20130225IPR06048/html/MEPs-cap-bankers'-bonuses-and-step-up-bank-capital-requirements>

¹⁴³¹ Council of the European Union background note on provisional political agreement which sets out the five major compromises (Brussels) 1 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/135754.pdf

¹⁴³² Council of the European Union report on the first reading of the revised capital requirement rules (CRD IV) (Brussels) 2 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st06/st06947.en13.pdf>

¹⁴³³ Council of the European Union press release on endorsing agreement with EP (Brussels) 5 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/135823.pdf

approaches when calculating own funds requirements for credit, market and operational risk under the proposed CRR.¹⁴³⁴ The consultation ran until 11 June 2013.

On 15 March 2013, the European Banking Authority (EBA) published revised draft versions of its templates, instructions, validation rules and data point model (DPM) for implementing technical standards (ITS) on supervisory reporting under CRD IV.¹⁴³⁵

On 18 March 2013, the European Banking Authority (EBA) published two consultations on draft data point models (DPMs) based on its draft implementing technical standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding, and leverage ratio.¹⁴³⁶ Comments were invited by 13 May 2013.

On 19 March 2013, the European Banking Authority (EBA) published a report of the results of its third Basel III monitoring exercise on the European banking system.¹⁴³⁷

On 21 March 2013, the European Commission published a press release announcing agreement in trilogue on CRD IV.¹⁴³⁸

On 26 March 2013, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on the reporting format for asset encumbrance.¹⁴³⁹

On the same day, the European Banking Authority (EBA) also published a consultation paper on definitions of forbearance and non-performing exposures, and on associated reporting templates

¹⁴³⁴ EBA launches consultation on draft technical standards (RTS) aimed at specifying the conditions for assessing the materiality of extensions and changes to internal approaches when calculating own funds requirements for credit, market and operational risk (London) 11 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consults-on-the-conditions-for-assessing-the-materiality-of-extensions-and-changes-of-internal-approaches-for-credit-market-and-operational-risk>

¹⁴³⁵ EBA press release on update on the technical standards on supervisory reporting requirements Authority (London) 15 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/update-on-the-technical-standards-on-supervisory-reporting-requirements>

¹⁴³⁶ EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding and EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Leverage Ratio (London) 18 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-liquidity-coverage-and-stable-fundin>

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-leverage-ratio>

¹⁴³⁷ EBA report of the Basel III monitoring exercise on the European banking system (London) 19 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/documents/10180/16145/ISG-Basel-III-monitoring-exercise---Public-Report--Final-.pdf>

¹⁴³⁸ Statement by Commissioner Michel Barnier following the agreement in trilogue on new European rules to impose stronger prudential requirements on banks (Brussels) 21 March 2013. Date of Access: 26 June 2013.

http://europa.eu/rapid/press-release_MEMO-13-269_en.htm?locale=en

¹⁴³⁹ EBA Consultation Paper on Asset Encumbrance Reporting (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-asset-encumbrance-reporting>

to capture related data.¹⁴⁴⁰ The EBA expects to finalise these additional standards by Q3 2013. Comments on both consultation papers were invited by 24 June 2013.

On 27 March 2013, the Council of the European Union issued a press release announcing that the Permanent Committee of Representatives (COREPER) had approved compromise texts on CRD IV.¹⁴⁴¹ The Council explains in its press release that if the European Parliament approves the texts as agreed, the Council will also approve them without further discussion. It adds that the new rules will apply from 1 January 2014 if publication takes place in the Official Journal of the European Union (OJ) by 30 June 2013.

The Council reports that the compromise texts were acceptable to a qualified majority; the United Kingdom did not support them.

On the same day, the proposed CRD IV Directive text¹⁴⁴² and the proposed Capital Requirements Regulation (CRR) text¹⁴⁴³, as agreed in political dialogue, were published (dated 26 March 2013).

On 10 April 2013, the Secretariat of the Council of the EU published an addendum to the published text of the Capital Requirements Regulation (CRR) on which political agreement was reached in March 2013.¹⁴⁴⁴

On 12 April 2013, the European Parliament published revised versions of the proposed CRD IV Directive¹⁴⁴⁵ and the proposed Capital Requirements Regulation (CRR)¹⁴⁴⁶ for plenary vote.

On 16 April 2013, the European Parliament announced that it has adopted at first reading compromise texts for CRD IV on which political agreement was reached with the Council of the EU in March 2013.¹⁴⁴⁷ The texts were published on the same day.¹⁴⁴⁸

¹⁴⁴⁰ EBA Consultation Paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-supervisory-reporting-on-forbearance-and-non-performing-exposures>

¹⁴⁴¹ Council of the European Union press release on confirming agreement with EP (Brussels) 27 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/136581.pdf

¹⁴⁴² Council of the European Union publishes the proposed CRD IV Directive (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07746.en13.pdf>

¹⁴⁴³ Council of the European Union publishes the proposed Capital Requirements Regulation (CRR) text (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747.en13.pdf>

¹⁴⁴⁴ Council of the European Union addendum to the published text of the Capital Requirements Regulation (CRR) (Brussels) 9 April 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747-ad01.en13.pdf>

¹⁴⁴⁵ European Parliament publishes a revised text of the CRD IV Directive (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0170&format=PDF&language=EN&secondRef=002-002>

¹⁴⁴⁶ European Parliament publishes a revised text of the Capital Requirements Regulation (CRR) (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0171&format=PDF&language=EN&secondRef=002-002>

The Parliament and the Council are co-legislators and need to approve the same final text of the proposals.

On 17 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets.¹⁴⁴⁹

On 20 May 2013, the European Banking Authority (EBA) published a consultation on draft implementing technical standards (ITS) on joint decisions on institution-specific prudential requirements of the proposed CRD IV Directive.¹⁴⁵⁰

On 21 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.¹⁴⁵¹

On the same day, the European Banking Authority (EBA) published two consultations on passport notifications.¹⁴⁵² The consultation runs until 21 August 2013.

On 22 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory and implementing technical standards (RTS and ITS) on securitisation retention rules.¹⁴⁵³

¹⁴⁴⁷ European Parliament press release on adopting CRD IV on first reading (Brussels) 10 April 2013. Date of Access: 26 June 2013.

http://www.europarl.europa.eu/pdfs/news/expert/infopress/20130416IPR07333/20130416IPR07333_en.pdf

¹⁴⁴⁸ European Parliament publishes the adopted CRD IV Directive and Capital Requirements Regulation (Brussels) 16 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-02+DOC+WORD+V0//EN&language=EN>

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-03+DOC+WORD+V0//EN&language=EN>

¹⁴⁴⁹ EBA Consultation Paper on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets (London) 17 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-regulatory-technical-standards-on-the-determination-of-the-overall-exposure-to-a-client-or-a-group-of-connected-clients-in>

¹⁴⁵⁰ EBA Consultation Paper on draft Implementing Technical Standards (ITS) on institution-specific prudential requirements (London) 20 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-implementing-technical-standards-its-on-institution-specific-prudential-requirements>

¹⁴⁵¹ EBA Consultation Paper on draft Technical Standards for the definition of material risk takers for remuneration purposes (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-technical-standards-for-the-definition-of-material-risk-takers-for-remuneration-purposes>

¹⁴⁵² EBA Consultation Paper on draft ITS on Passport Notifications (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-its-on-passport-notifications>

¹⁴⁵³ EBA Consultation Paper on draft Technical Standards on securitisation retention rules (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-on-draft-technical-standards-on-securitisation-retention-rules>

On 23 May 2013, the European Banking Authority (EBA) published five consultation papers on draft regulatory and implementing technical standards under the proposed CRR.¹⁴⁵⁴ The consultation runs until 22 August 2013.

On 5 June 2013, the European Banking Authority (EBA) published near-final draft regulatory technical standards (RTS) on own funds under CRD IV.¹⁴⁵⁵

On 16 June 2013, the Council of the EU has published revised texts (dated 14 June 2013) of the Capital Requirements Regulation (CRR)¹⁴⁵⁶ and the CRD IV Directive.¹⁴⁵⁷

On 18 June 2013, the European Parliament published revised texts (dated 6 June 2013) of the Capital Requirements Regulation (CRR)¹⁴⁵⁸ and the CRD IV Directive.¹⁴⁵⁹

On 20 June 2013, the Council of the EU published a press release announcing that, in its configuration as the Employment, Social Policy, Health and Consumer Affairs Council, it has adopted without discussion the Capital Requirements Regulation (CRR) and the CRD IV Directive that were proposed and published on 16 June 2013.¹⁴⁶⁰ The decision was taken by a qualified majority of delegations, with the United Kingdom voting against. The press release states that the new rules will come into force on 1 January 2014.

On 27 June 2013, the document Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR)

¹⁴⁵⁴ EBA Consultation Papers on draft regulatory and implementing technical standards under the proposed CRR (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-guidelines-on-capital-measures-for-foreign-currency-lending>

<http://www.eba.europa.eu/-/consultation-on-draft-its-on-additional-liquidity-monitoring-metri-1>

<http://www.eba.europa.eu/-/consultation-on-draft-rts-on-additional-liquidity-outflows>

<http://www.eba.europa.eu/-/consultation-on-technical-standards-for-own-funds-part-iii>

¹⁴⁵⁵ EBA publishes near-final draft regulatory technical standards (London) 5 June 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-publishes-near-final-draft-regulatory-technical-standards-on-own-funds>

¹⁴⁵⁶ Council of the European Union publishes revised Capital Requirements Regulation (CRR) text (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00014.en13.pdf>

¹⁴⁵⁷ Council of the European Union publishes revised CRD IV Directive (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00015.en13.pdf>

¹⁴⁵⁸ European Parliament publishes revised Capital Requirements Regulation (CRR) text (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0115&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁴⁵⁹ European Parliament publishes revised CRD IV Directive (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0114&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁴⁶⁰ Council of the European Union press release on Council adopting new bank capital requirements (Brussels) 20 June 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/137544.pdf

was published in the Official Journal of the EU (OJ).¹⁴⁶¹ The CRR enters into force on 28 June 2013 and, with the exception of certain provisions specified in Article 521, will apply from 1 January 2014.

On 27 June 2013, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV Directive) was published in the Official Journal of the EU (OJ).¹⁴⁶² The Directive enters into force on the twentieth day following its publication in the OJ. With the exception of certain provisions specified in Article 162, 31 December 2013 is the deadline for member states to transpose the Directive and to apply its provisions.

The CRR and the CRD IV Directive, collectively referred to as CRD IV, implement the Basel III reforms in the EU, as well as introducing certain EU-specific reforms including imposing restrictions on bonuses. The CRD IV Directive repeals the Capital Requirements Directive (2006/48/EC and 2006/49/EC) with deadline of transposition no later than 31 December 2013 and with effect from 1 January 2014.

As the European Union's capital regulations have been agreed upon and have been scheduled for implementation, the EU and its member countries have fully complied with their commitment. France has thus been awarded a score of +1.

Analyst: Alexandra Popa

Germany: +1

Germany, as a member of the European Union subject to the Union's regulations and directives, has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio (EBA/CP/2012/06) and comments could be made on the consultation paper until 27 August 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission.¹⁴⁶³

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions (EBA/CP/2012/04) and comments could be made on the consultation paper until 31 July 2012.

¹⁴⁶¹ Regulation (EU) No 575/2013¹⁴⁶¹ of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0001:0337:EN:PDF>

¹⁴⁶² Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:EN:PDF>

¹⁴⁶³ EBA consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://www.eba.europa.eu/cpbs/media/Publications/Consultation%20Papers/2012/CP06/CP06-CP-on-ITS-Leverage-Ratio-Reporting.pdf>

Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission. Although the deadline set in the CRR for EBA to finalize these ITS is 31 December 2013, the EBA intends to submit them “within a shorter timeframe,” as the CRR disclosure requirements will be applicable from 1 January 2013.¹⁴⁶⁴

On 12 June 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context (EBA/CP/2012/07) and comments could be made on the consultation paper until 12 August 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take into account the final text of the CRR. The EBA’s intention is that these RTS will form part of the general RTS on own funds which it consulted on in April 2012. These RTS must be submitted to the European Commission by 1 January 2013.¹⁴⁶⁵

On 21 June 2012, the European Parliament’s Economic and Monetary Affairs Committee (ECON) published the reports that it has adopted on the proposed CRD IV Directive (dated 30 May 2012) and the Capital Requirements Regulation (CRR) (dated 12 June 2012). ECON voted to adopt these reports on 14 May 2012. The reports contain draft legislative resolutions for the European Parliament with proposed amendments to the CRD IV Directive and the CRR. They will, among other things, implement the main Basel III reforms in the EU.^{1466,1467}

The Parliament was scheduled to consider these resolutions at its plenary session to be held between 2 and 5 July 2012.

In its July 2011 legislative proposals, the Commission stated that the “CRR and the CRD IV Directive were intended to come into force on 1 January 2013, with full implementation of their requirements by 1 January 2019.” Member states were expected to transpose the CRD IV Directive into national law by 31 December 2012 which follows the timelines expected by the BCBS for Basel III implementation.

¹⁴⁶⁴ EBA consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP04/EBA-CP-2012-04--CP-on-ITS-disclosure-for-own-funds-.pdf>

¹⁴⁶⁵ EBA consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP07/EBA-CP-2012-07--CP-on-RTS-Gain-on-Sale-on-securitisations-.pdf>

¹⁴⁶⁶ The European Parliament’s Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the proposed CRD IV Directive, European Parliament’s Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0170+0+DOC+PDF+V0//EN>

¹⁴⁶⁷ The European Parliament’s Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the Capital Requirements Regulation (CRR), European Parliament’s Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0171%2b0%2bDOC%2bPDF%2bV0%2f%2fEN>

On 10 July 2012, the Council published a press release concerning a meeting of ECOFIN held on 10 July 2012. The press release stated that negotiations between the EU authorities on the CRD IV Directive are almost complete and that talks are now focused on the CRR. “The negotiations with the Parliament are aimed at adoption of the regulation and directive at first reading. Outstanding issues include a proposed flexibility package, bankers’ remuneration, crisis management, sanctions, the balance of power between the authorities of “home” and “host” countries, corporate governance, and powers to be given to the European Banking Authority (EBA).”¹⁴⁶⁸

On 11 July 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09) and comments could be made on the consultation paper until 15 September 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take the final text of the CRR into account. The RTS must be submitted to the European Commission by 1 January 2013.¹⁴⁶⁹

On 17 July 2012, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/10) and comments could be made on the consultation paper by 30 September 2012. The consultation is based on the draft CRR as proposed by the European Commission in July 2011. Although the EBA has taken into account significant changes subsequently proposed during the legislative procedure, the draft RTS may be amended after consultation to take into account the final CRR text. The RTS must be submitted to the Commission by 1 January 2013.¹⁴⁷⁰

On 31 July 2012, the European Banking Authority (EBA) has published a press release announcing a timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting.

In the press release, the EBA announces that the finalization of the ITS for supervisory reporting has been pushed back pending the adoption by the EU authorities of the CRR.

¹⁴⁶⁸ Press Release 12204/12, 3181st Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels), 10 July 2012. Date of Access: 6 January 2013.
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/131686.pdf

¹⁴⁶⁹ EBA consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk, European Banking Authority (London) 11 July 2012. Date of Access: 6 January 2013.
<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP09/EBA-CP-2012-09-CP-credit-valuation-risk.pdf>

¹⁴⁷⁰ EBA consultation paper on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR), European Banking Authority (London) 17 July 2012. Date of Access: 6 January 2013.
<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP10/EBA-CP-2012-10-CP-on-RTS-on-SCRAs-and-GCRAs.pdf>

It suggests that the implementation date for the full ITS requirements relating to financial information (FINREP) should be set to 1 January 2014 and that further decisions on phasing in other data requirements may be taken once the CRR itself is finalised.¹⁴⁷¹

On 2 August 2012, the European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process. The EBF stated that it has learned that the Council of the EU has suspended its work on CRD IV until September 2012 and that the European Parliament has decided to vote on the legislation “at the end of October.” In July 2012 the Parliament suggested that it would consider CRD IV at its 10 to 13 September 2012 plenary session. However, this indicative date has since been removed from the Parliament website and the draft agenda for the 10 to 13 September plenary session no longer referred to CRD IV.¹⁴⁷²

The European Banking Industry Committee (EBIC) sent (and published) a letter to the EU institutions, calling for a reasonable period of time between the final text and implementation to allow banks to put in place the necessary procedures to comply with the new rules since the implementation “cannot possibly be achieved within a timeframe of one or two months.”¹⁴⁷³

On August 22, 2012 German finance minister Wolfgang Schaeuble issued a statement indicating that the introduction of more stringent controls on capital requirements will result in tougher sanctions and controls for banks. “It is our firm conviction that the implementation of Basel III is a central part of bank regulation that we cannot subject to delay. I hope our partners in Brussels share this sense of urgency,” Mr. Schaeuble said.¹⁴⁷⁴ By taking the lead Germany is setting the example to other E.U. G20 member countries as Mr. Schaeuble continued: “I urgently appeal to the European Parliament, the Council and the European Commission to bring the trialog quickly to a successful conclusion.”¹⁴⁷⁵

On 29 August 2012, the European Banking Authority (EBA) published a press release announcing revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation. The EBA has published these documents ahead of a workshop on 13 September 2012. The press release emphasises that these versions should not be considered as final products and that the EBA will deliver the final draft templates and DPM to the European Commission for endorsement once the final text of the CRD IV legislation has been agreed.¹⁴⁷⁶

¹⁴⁷¹ EBA Press Release announcing a concerning the timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting (London) 31 July 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-the-finalisation-and-implementation-of-t.aspx>

¹⁴⁷² European Parliament website and the draft agenda (Brussels) 2 August 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/indexPartSession.do?reference=2012-09&language=EN>

¹⁴⁷³ European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process (Brussels) 2 August 2012. Date of Access: 6 January 2013. [http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20\(2\).pdf](http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20(2).pdf)

¹⁴⁷⁴ To be completed <http://uk.reuters.com/article/2012/08/22/uk-germany-banks-basel-idUKBRE87L08O20120822>

¹⁴⁷⁵ To be completed <http://www.djnewsplus.com/rssarticle/SB134562555576485053.html>

¹⁴⁷⁶ EBA Press Release announcing a revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation (London) 29 August 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/EBA-workshop-on-technical-standards-on-supervisory.aspx>

On 31 August 2012, the Joint Committee of the European Supervisory Authorities (ESAs) (that is, EBA, EIOPA and ESMA) published a joint consultation paper (JP/CP/2012/02) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (FICOD). Comments could be made on the consultation paper by 5 October 2012. The draft RTS may be amended after consultation to take into account the final texts of the CRR and the CRD IV Directive. The RTS must be submitted to the Commission by 1 January 2013.¹⁴⁷⁷

The Bundesbank and Bafin announced in mid-September 2012 that they will give German banks until mid-2013, six months after the target starting date, to get reporting and controlling structures in place as well as adjust information technology systems in compliance with Basel III guidelines.

On 18 September 2012, the European Banking Authority (EBA) published a list of responses it has received to its July 2012 consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09).¹⁴⁷⁸

On 22 October 2012, the European Banking Authority (EBA) published a report (dated September 2012) on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (CRR).¹⁴⁷⁹

On 9 November 2012, the European Banking Authority (EBA) published its second consultation on draft regulatory technical standards (RTS) on own funds under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/11). This consultation relates to the identification of mutuals, co-operatives and similar institutions. Comments can be made on the consultation paper by 21 December 2012. The July 2011 text of the CRR requires these RTS to be submitted to the Commission by 1 January 2013.

The consultation forms the second part of the EBA's consultation on RTS relating to own funds, the first part of which was published in April 2012. The EBA expects that the legal texts resulting from these consultations on own funds, and subsequent consultations to be published later in 2012, will be merged into a single act.¹⁴⁸⁰

On 13 November 2012, the European Banking Authority (EBA) published a discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (CRR) (EBA/DP/2012/03). Comments can be made on the discussion paper by 13 January 2013. The EBA intends to publish a consultation paper on the draft RTS

¹⁴⁷⁷ Joint consultation paper of the European Supervisory Authorities (ESAs) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (London, Frankfurt, Paris) 31 August 2012. Date of Access: 6 January 2013. <http://www.esma.europa.eu/system/files/jc-cp-2012-02-.pdf>

¹⁴⁷⁸ List of responses published by the European Banking Authority on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (London) 18 September 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/2012/EBA-CP-2012-09/Responses-to-EBA-CP-2012-02.aspx>

¹⁴⁷⁹ EBA report on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (London) 22 October 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/EBA-SME-Report.pdf>

¹⁴⁸⁰ EBA's second consultation on RTS relating to own funds (London) 9 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP11/EBA-BS-2012-211-final-for-publication--Consultation-paper-on-draft-RTS-on-Article-25-2--a--.pdf>

before submitting them to the Commission. The 11 May 2012 draft of the CRR requires these RTS to be submitted to the Commission by 31 December 2013.¹⁴⁸¹

On 13 November 2012, the Council of the EU has published a press release concerning a meeting of the Council, in its configuration as the Economic and Financial Affairs Council (ECOFIN), where ECOFIN remains committed to reaching an agreement with the European Parliament before the end of 2012 on the CRD IV legislation. The press release states that ECOFIN's objectives include "maintaining the balance" achieved in its May 2012 general approach on CRD IV.¹⁴⁸²

On 21 November 2012, the European Banking Federation (EBF) sent a letter to Michel Barnier, European Commissioner for Internal Market and Services, formally requesting "the postponement of the entry into force of the CRR/CRD IV until 1 January 2014," (which it considers would be a more reasonable timeframe) in the light of the announcement by US regulators that there would be an indefinite delay to their implementation of Basel III.¹⁴⁸³ Similar letters have been addressed to the Presidency of the Council of the European Union and the European Parliament rapporteur.¹⁴⁸⁴

On November 24 2012, European banks have asked the European Commission to postpone the introduction of Basel III by a year to 2014 after U.S. regulators delayed application of the new requirements. Brussels is also worried that Washington's decision to ignore the deadline will put European banks at a disadvantage to U.S. rivals.¹⁴⁸⁵

On 24 November 2012, a spokesman for Mr Barnier is quoted as saying that the CRD IV negotiations between the Council and the Parliament will be wrapped up in the coming weeks, and that Mr Barnier will seek clarity from the US and work for a co-ordinated US-EU approach.¹⁴⁸⁶

¹⁴⁸¹ EBA discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (London) 13 November. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Discussion%20Papers/DP%202012%2003/EBA-DP-2012-03--RTS-on-Prudent-Valuation---Final.pdf>

¹⁴⁸² Press Release 16051/12, 3198th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 13 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/133470.pdf

¹⁴⁸³ European Banking Federation (EBF) letter to Member of the European Commission concerning entry into force of the CRR/CRD IV (Brussels) 21 November 2012. Date of Access: 6 January 2013. <http://www.ebf-fbe.eu/uploads/0374C-D2140A-2012-EBF%20President%20Draft%20letter%20to%20Barnier%20over%20US%20postpone....pdf>

¹⁴⁸⁴ EBA letter to Member of the European Commission (London) 5 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-05--Letter-on-draft-CRR---EBA-Op-2012-03-.pdf>

¹⁴⁸⁵ EU To Follow US In Delaying The Implementation Of Basel III, International Business Times (Washington, D.C.) 27 November 2012. Date of Access: 6 January 2013. <http://www.ibtimes.com/eu-follow-us-delaying-implementation-basel-iii-903024>

¹⁴⁸⁶ European banks call for capital rule delay, The Telegraph (London) 24 November 2012. Date of Access: 6 January 2013. <http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9700443/European-banks-call-for-capital-rule-delay.html>

On 27 November 2012, the European Banking Authority (EBA) published a letter (dated 21 November 2012), sent to Michel Barnier, European Commissioner for Internal Market and Services, relating to the proposed Capital Requirements Regulation (CRR).¹⁴⁸⁷

The Parliament is expected to consider CRD IV at its plenary session to be held between 10 and 13 December 2012.

A Council of the EU progress report dated 29 November 2012 stated that the Presidency still aimed to reach political agreement on CRD IV by the end of 2012.¹⁴⁸⁸

A press release issued after the ECOFIN meeting on 4 December 2012 stated that the Council “confirmed its commitment to reach an agreement with the Parliament before the end of the year.” “Further political trilogues are scheduled for 11 and 13 December in Strasbourg.”¹⁴⁸⁹

The Parliament is expected to consider the SSM proposals during its plenary session to be held between 10 and 13 December 2012.¹⁴⁹⁰

On 17 December 2012, the European Commission has published a speech given by Michel Barnier, European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (SSM).¹⁴⁹¹

In the speech, Mr Barnier commented that the ongoing trilogues on CRD IV will result in political agreement “very soon.” He stressed, however, the need for a “co-ordinated approach” with the US on implementing Basel III.¹⁴⁹²

On 20 December 2012, the European Banking Authority (EBA) issued a press release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (CRR). The EBA describes the templates and instructions as “preliminary and informal in nature,” given the pending adoption of the final CRR text.

In the press release, the EBA stated that it intended to continue its existing work collecting and analysing information on the liquidity coverage ratio (LCR), which it started at the beginning of 2012. The EBA will continue this exercise on a quarterly basis and will expand its scope to

¹⁴⁸⁷ EBA letter to Member of the European Commission concerning the proposed Capital Requirements Regulation (CRR) (London) 21 November 2012. Date of Access: 6 January 2013. to <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-21--Letter-on-floors---EBA-Op-2012-04-.pdf>

¹⁴⁸⁸ Council of the European Union progress report on CRD IV (Brussels) 29 November 2012. Date of Access: 6 January 2013. <http://register.consilium.europa.eu/pdf/en/12/st16/st16677.en12.pdf>

¹⁴⁸⁹ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/134037.pdf

¹⁴⁹⁰ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/134037.pdf

¹⁴⁹¹ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

¹⁴⁹² Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

include reporting on the net stable funding and leverage ratio and to increase the number of firms involved.

The EBA intends to launch a consultation on the data point model for leverage and liquidity reporting in the first quarter of 2013.

The EBA will publish a final draft ITS as soon as the CRR text is finalized, together with revised templates and instructions reflecting the final CRR text. The EBA expects that not more than one year will be needed to implement these new reporting provisions and it envisages that the first remittance dates will fall in the first quarter of 2014 for the full ITS requirements on liquidity and leverage.¹⁴⁹³

The next trilogues on the CRD IV package of reforms between the Council of the EU, the European Parliament and the Commission will be continuing in January, with an indicative plenary sitting date on 12 January 2012.¹⁴⁹⁴

On 21 February 2013, the EBA has published a discussion paper on defining liquid assets in the liquidity coverage ratio (LCR) under the draft CRR¹⁴⁹⁵. In a press release that accompanied the discussion paper, the EBA stated that the draft CRR text stipulates that the EU Commission will adopt a delegated act by 30 June 2014 to implement the LCR in EU regulation.¹⁴⁹⁶

On the same day, the EBA also published a discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR.¹⁴⁹⁷

On 27 February 2013, Council of the EU published a press release announcing that the Council has reached provisional political agreement at triadogue with the European Parliament on CRD IV.¹⁴⁹⁸ The provisional agreement needs to be formally endorsed by the Council and by the Parliament before it is final. There will also be significant further technical work to complete the details of the legislation.

¹⁴⁹³ EBA Press Release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (London) 20 December 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-supervisory-reporting-requirements-for-1.aspx>

¹⁴⁹⁴ European Parliament website and the draft agenda (Brussels) 11 January 2013. Date of Access: 11 January 2013. <http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0203%28COD%29&l=en#keyEvents>

¹⁴⁹⁵ EBA discussion paper on defining liquid assets in the LCR under the draft CRR (London) 21 February 2013. Date of Access: June 26 2013. <http://www.eba.europa.eu/documents/10180/42030/DP-on-defining-liquid-assets-in-the-LCR.pdf/8d39f0bc-248e-4185-8cda-7f7ff153b644?version=1.0>

¹⁴⁹⁶ EBA Press Release on the process to define highly liquid assets in the Liquidity Coverage Ratio (LCR) (London) 21 February 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/eba-consults-on-the-process-to-define-highly-liquid-assets-in-the-liquidity-coverage-ratio-lcr->

¹⁴⁹⁷ EBA discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR (London) 21 February 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/discussion-paper-on-retail-deposits-subject-to-higher-outflows-for-the-purposes-of-liquidity-reporting-under-the-capital-requirements-regulation-crr->

¹⁴⁹⁸ Council of the European Union press release on provisional political agreement at triadogue with the European Parliament on CRD IV (Brussels) 27 February 2013. Date of Access: 26 June 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/135718.pdf

The Council press release states that the agreement on CRD IV will be considered by the Council of the EU at its meeting on 5 March 2013 in its configuration as the Economic and Financial Affairs Council (ECOFIN).

On 28 February 2013, the Parliament published a press release on the provisional agreement and stated that member states will be required to transpose the CRD IV Directive by 1 January 2014.¹⁴⁹⁹ The Parliament press release states that it will vote on CRD IV in its 15 to 18 April plenary session. The Parliament had previously indicated the vote would take place at the 20 to 23 May 2013 session.

On 1 March 2013, the Council published a background note on the provisional agreement, and sets out the five major compromises that was reached between the Council and the Parliament on five key issues.¹⁵⁰⁰

On 5 March 2013, the Council of the EU published a report from the Council Presidency to the Council on political agreement that was reached on CRD IV at a trilogue on 27 February 2013 which included a summary of the key issues that were reached.¹⁵⁰¹ The Presidency invites the Council to endorse the provisional agreement reached on 27 February 2013 and to continue negotiations with the European Parliament to reach agreement at first reading as soon as possible.

On 5 March 2013, the Council of the EU published a press release announcing, in its configuration as the Economic and Financial Affairs Council (ECOFIN), it had “broadly endorsed” the provisional political agreement reached on CRD IV in a trilogue on 27 February 2013.¹⁵⁰² On that basis, the Council has mandated the Permanent Committee of Representatives (COREPER) to finalise negotiations with the European Parliament on outstanding technical issues with the aim of reaching a final deal in the second half of March 2013.

On 11 March 2013, the EBA published a consultation on draft regulatory technical standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under the proposed CRR.¹⁵⁰³ The consultation ran until 11 June 2013.

¹⁴⁹⁹ The European Parliament's Economic and Monetary Affairs Committee (ECON) press release on provisional agreement reached (Brussels) 28 February 2013. Date of Access: 26 June 2013.
<http://www.europarl.europa.eu/news/en/pressroom/content/20130225IPR06048/html/MEPs-cap-bankers'-bonuses-and-step-up-bank-capital-requirements>

¹⁵⁰⁰ Council of the European Union background note on provisional political agreement which sets out the five majors comprises (Brussels) 1 March 2013. Date of Access: 26 June 2013.
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressData/en/ecofin/135754.pdf

¹⁵⁰¹ Council of the European Union report on the first reading of the revised capital requirement rules (CRD IV) (Brussels) 2 March 2013. Date of Access: 26 June 2013.
<http://register.consilium.europa.eu/pdf/en/13/st06/st06947.en13.pdf>

¹⁵⁰² Council of the European Union press release on endorsing agreement with EP (Brussels) 5 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/135823.pdf

¹⁵⁰³ EBA launches consultation on draft technical standards (RTS) aimed at specifying the conditions for assessing the materiality of extensions and changes to internal approaches when calculating own funds requirements for credit, market and operational risk (London) 11 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consults-on-the-conditions-for-assessing-the-materiality-of-extensions-and-changes-of-internal-approaches-for-credit-market-and-operational-risk>

On 15 March 2013, the European Banking Authority (EBA) published revised draft versions of its templates, instructions, validation rules and data point model (DPM) for implementing technical standards (ITS) on supervisory reporting under CRD IV.¹⁵⁰⁴

On 18 March 2013, the European Banking Authority (EBA) published two consultations on draft data point models (DPMs) based on its draft implementing technical standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding, and leverage ratio.¹⁵⁰⁵ Comments were invited by 13 May 2013.

On 19 March 2013, the European Banking Authority (EBA) published a report of the results of its third Basel III monitoring exercise on the European banking system.¹⁵⁰⁶

On 21 March 2013, the European Commission published a press release announcing agreement in trilogue on CRD IV.¹⁵⁰⁷

On 26 March 2013, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on the reporting format for asset encumbrance.¹⁵⁰⁸

On the same day, the European Banking Authority (EBA) also published a consultation paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data.¹⁵⁰⁹ The EBA expects to finalise these additional standards by Q3 2013. Comments on both consultation papers were invited by 24 June 2013.

On 27 March 2013, the Council of the European Union issued a press release announcing that the Permanent Committee of Representatives (COREPER) had approved compromise texts on CRD

¹⁵⁰⁴ EBA press release on update on the technical standards on supervisory reporting requirements Authority (London) 15 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/update-on-the-technical-standards-on-supervisory-reporting-requirements>

¹⁵⁰⁵ EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding and EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Leverage Ratio (London) 18 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-liquidity-coverage-and-stable-fundin>

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-leverage-ratio>

¹⁵⁰⁶ EBA report of the Basel III monitoring exercise on the European banking system (London) 19 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/documents/10180/16145/ISG-Basel-III-monitoring-exercise---Public-Report--Final-.pdf>

¹⁵⁰⁷ Statement by Commissioner Michel Barnier following the agreement in trilogue on new European rules to impose stronger prudential requirements on banks (Brussels) 21 March 2013. Date of Access: 26 June 2013.

http://europa.eu/rapid/press-release_MEMO-13-269_en.htm?locale=en

¹⁵⁰⁸ EBA Consultation Paper on Asset Encumbrance Reporting (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-asset-encumbrance-reporting>

¹⁵⁰⁹ EBA Consultation Paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-supervisory-reporting-on-forbearance-and-non-performing-exposures>

IV.¹⁵¹⁰ The Council explains in its press release that if the European Parliament approves the texts as agreed, the Council will also approve them without further discussion. It adds that the new rules will apply from 1 January 2014 if publication takes place in the Official Journal of the European Union (OJ) by 30 June 2013.

The Council reports that the compromise texts were acceptable to a qualified majority; the United Kingdom did not support them.

On the same day, the proposed CRD IV Directive text¹⁵¹¹ and the proposed Capital Requirements Regulation (CRR) text,¹⁵¹² as agreed in political dialogue, were published (dated 26 March 2013).

On 10 April 2013, the Secretariat of the Council of the EU published an addendum to the published text of the Capital Requirements Regulation (CRR) on which political agreement was reached in March 2013.¹⁵¹³

On 12 April 2013, the European Parliament published revised versions of the proposed CRD IV Directive¹⁵¹⁴ and the proposed Capital Requirements Regulation (CRR)¹⁵¹⁵ for plenary vote.

On 16 April 2013, the European Parliament announced that it has adopted at first reading compromise texts for CRD IV on which political agreement was reached with the Council of the EU in March 2013.¹⁵¹⁶ The texts were published on the same day.¹⁵¹⁷

¹⁵¹⁰ Council of the European Union press release on confirming agreement with EP (Brussels) 27 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/136581.pdf

¹⁵¹¹ Council of the European Union publishes the proposed CRD IV Directive (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07746.en13.pdf>

¹⁵¹² Council of the European Union publishes the proposed the proposed Capital Requirements Regulation (CRR) text (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747.en13.pdf>

¹⁵¹³ Council of the European Union addendum to the published text of the Capital Requirements Regulation (CRR) (Brussels) 9 April 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747-ad01.en13.pdf>

¹⁵¹⁴ European Parliament publishes a revised text of the CRD IV Directive (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0170&format=PDF&language=EN&secondRef=002-002>

¹⁵¹⁵ European Parliament publishes a revised text of the Capital Requirements Regulation (CRR) (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0171&format=PDF&language=EN&secondRef=002-002>

¹⁵¹⁶ European Parliament press release on adopting CRD IV on first reading (Brussels) 10 April 2013. Date of Access: 26 June 2013.

http://www.europarl.europa.eu/pdfs/news/expert/infopress/20130416IPR07333/20130416IPR07333_en.pdf

¹⁵¹⁷ European Parliament publishes the adopted CRD IV Directive and Capital Requirements Regulation (Brussels) 16 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-02+DOC+WORD+V0//EN&language=EN>

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-03+DOC+WORD+V0//EN&language=EN>

The Parliament and the Council are co-legislators and need to approve the same final text of the proposals.

On 17 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets.¹⁵¹⁸

On 20 May 2013, the European Banking Authority (EBA) published a consultation on draft implementing technical standards (ITS) on joint decisions on institution-specific prudential requirements of the proposed CRD IV Directive.¹⁵¹⁹

On 21 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.¹⁵²⁰

On the same day, the European Banking Authority (EBA) published two consultations on passport notifications.¹⁵²¹ The consultation runs until 21 August 2013.

On 22 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory and implementing technical standards (RTS and ITS) on securitisation retention rules.¹⁵²²

On 23 May 2013, the European Banking Authority (EBA) published five consultation papers on draft regulatory and implementing technical standards under the proposed CRR.¹⁵²³ The consultation runs until 22 August 2013.

¹⁵¹⁸ EBA Consultation Paper on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets (London) 17 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-regulatory-technical-standards-on-the-determination-of-the-overall-exposure-to-a-client-or-a-group-of-connected-clients-in>

¹⁵¹⁹ EBA Consultation Paper on draft Implementing Technical Standards (ITS) on institution-specific prudential requirements (London) 20 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-implementing-technical-standards-its-on-institution-specific-prudential-requirements>

¹⁵²⁰ EBA Consultation Paper on draft Technical Standards for the definition of material risk takers for remuneration purposes (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-technical-standards-for-the-definition-of-material-risk-takers-for-remuneration-purposes>

¹⁵²¹ EBA Consultation Paper on draft ITS on Passport Notifications (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-its-on-passport-notifications>

¹⁵²² EBA Consultation Paper on draft Technical Standards on securitisation retention rules (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-on-draft-technical-standards-on-securitisation-retention-rules>

¹⁵²³ EBA Consultation Papers on draft regulatory and implementing technical standards under the proposed CRR (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-guidelines-on-capital-measures-for-foreign-currency-lending>

<http://www.eba.europa.eu/-/consultation-on-draft-its-on-additional-liquidity-monitoring-metri-1>

<http://www.eba.europa.eu/-/consultation-on-draft-rts-on-additional-liquidity-outflows>

<http://www.eba.europa.eu/-/consultation-on-technical-standards-for-own-funds-part-iii>

On 5 June 2013, the European Banking Authority (EBA) published near-final draft regulatory technical standards (RTS) on own funds under CRD IV.¹⁵²⁴

On 16 June 2013, the Council of the EU has published revised texts (dated 14 June 2013) of the Capital Requirements Regulation (CRR)¹⁵²⁵ and the CRD IV Directive.¹⁵²⁶

On 18 June 2013, the European Parliament published revised texts (dated 6 June 2013) of the Capital Requirements Regulation (CRR)¹⁵²⁷ and the CRD IV Directive.¹⁵²⁸

On 20 June 2013, the Council of the EU published a press release announcing that, in its configuration as the Employment, Social Policy, Health and Consumer Affairs Council, it has adopted without discussion the Capital Requirements Regulation (CRR) and the CRD IV Directive that were proposed and published on 16 June 2013.¹⁵²⁹ The decision was taken by a qualified majority of delegations, with the United Kingdom voting against. The press release states that the new rules will come into force on 1 January 2014.

On 27 June 2013, the document Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) was published in the Official Journal of the EU (OJ).¹⁵³⁰ The CRR enters into force on 28 June 2013 and, with the exception of certain provisions specified in Article 521, will apply from 1 January 2014.

On 27 June 2013, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV Directive) was published in the Official Journal of the EU

¹⁵²⁴ EBA publishes near-final draft regulatory technical standards (London) 5 June 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-publishes-near-final-draft-regulatory-technical-standards-on-own-funds>

¹⁵²⁵ Council of the European Union publishes revised Capital Requirements Regulation (CRR) text (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00014.en13.pdf>

¹⁵²⁶ Council of the European Union publishes revised CRD IV Directive (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00015.en13.pdf>

¹⁵²⁷ European Parliament publishes revised Capital Requirements Regulation (CRR) text (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0115&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁵²⁸ European Parliament publishes revised CRD IV Directive (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0114&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁵²⁹ Council of the European Union press release on Council adopting new bank capital requirements (Brussels) 20 June 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/137544.pdf

¹⁵³⁰ Regulation (EU) No 575/2013¹⁵³⁰ of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0001:0337:EN:PDF>

(OJ).¹⁵³¹ The Directive enters into force on the twentieth day following its publication in the OJ. With the exception of certain provisions specified in Article 162, 31 December 2013 is the deadline for member states to transpose the Directive and to apply its provisions.

The CRR and the CRD IV Directive, collectively referred to as CRD IV, implement the Basel III reforms in the EU, as well as introducing certain EU-specific reforms including imposing restrictions on bonuses. The CRD IV Directive repeals the Capital Requirements Directive (2006/48/EC and 2006/49/EC) with deadline of transposition no later than 31 December 2013 and with effect from 1 January 2014.

As the European Union's capital regulations have been agreed upon and have been scheduled for implementation, the EU and its member countries have fully complied with their commitment. Germany has thus been awarded a score of +1.

Analysts: Vitali Selivanov and Alexandra Popa

India: +1

India has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

On 4 August 2012, Governor Duvvuri Subbarao of the Reserve Bank of India (RBI) said Indian banks would have to raise an additional capital of INR one point six trillion to INR one point seven five trillion by March 2018 to conform to the Basel-III capital adequacy norms.¹⁵³²

On 28 December 2012, RBI reminded that it “had issued guidelines on implementation of Basel III capital regulation in India on May 2, 2012. These guidelines were to be implemented as on January 1, 2013 in a phased manner and were to be fully implemented as on March 31, 2018.” However, the BCBS observed in a 14 December 2012 Press Release that “It is expected that as remaining jurisdictions finalise their domestic regulations during 2013, they will incorporate all the remaining transitional deadlines in line with the original global agreement, even where they have not been able to meet the January 1, 2013 start date.”¹⁵³³ As “the Indian Financial Year begins on April 1,” RBI decided to shift the start date for implementation of Basel III Capital Regulations in India from 1 January 2013 to 1 April 2013.¹⁵³⁴

On 10 January 2013, the Reserve Bank of India (RBI) released “Draft Guidelines on Composition of Capital Disclosure Requirements.” RBI explains that as the “Basel Committee on Banking Supervision (BCBS) has finalised proposals on disclosure requirements in respect of the composition of regulatory capital, aimed at improving transparency of regulatory capital reporting as well as market discipline [...] it was announced in the Second Quarter Review of Monetary

¹⁵³¹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

¹⁵³² For Basel III, Banks may need RS.1.75 Lakh Crore, The Hindu, 4 August 2012. Date of Access: 6 January 2013. <http://www.thehindu.com/business/Industry/article3728133.ece>

¹⁵³³ Implementation of the Basel III Framework, Basel Committee on Banking Supervision (Basel), 14 December 2012. Date of Access: 22 February 2013. <http://www.bis.org/press/p121214a.htm>

¹⁵³⁴ RBI re-aligns Implementation Date for Basel III Capital regulations with Financial Year - Shifts from January 1, 2013 to April 1, 2013, Reserve Bank of India (Mumbai), 28 December 2012. Date of Access: 6 January 2013. http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=27862

Policy 2012-13 (paragraph 87) on October 30, 2012 that the Reserve Bank would issue the draft guidelines on composition of capital disclosure requirements by end-December 2012.¹⁵³⁵

India has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework and thus been awarded the score of +1.

Analysts: Katherine Wang, Alexandre de Palma

Indonesia: 0

Indonesia has partially complied with its commitment to take action to implement the new bank capital and liquidity requirements set in the Basel III framework.

At a Bankers' Dinner held on 23 November 2012, Dr. Darmin Nasution, Governor of Bank Indonesia, reiterated to government leaders, ministers, members of Parliament and heads of banking institutions of his support for banking sector reform within the context of Basel III standards. In this regard, he acknowledged the need to maintain macroeconomic and financial stability through macro-prudential tools and monetary policy.¹⁵³⁶ Dr. Nasution stated that Bank Indonesia would soon revise regulations on Minimum Capital Adequacy Requirements of Commercial Banks, whereby banks would have to provide capital adequacy ratios ranging from 8 to 14 per cent, depending on risk profiles. He further added that this would also apply for foreign banks operating in the country through the Capital Equivalency Maintained Assets (CEMA) fund. CEMA would take the form of "business capital deposited in certain amount of financial assets that should also meet certain requirements."¹⁵³⁷

At end-May 2012, the Basel Committee on Banking Supervision and Bank for International Settlements gave Indonesia score of 1 out of 4 for releasing a draft consultative paper to the banking industry for initial feedback.¹⁵³⁸

On 13-14 December, 2012, the Basel Committee stated that Indonesia had issued draft regulations and was working to present a final version as soon as possible.¹⁵³⁹

Indonesia has initiated work towards the translation of Basel III recommendations into national regulation and has thus been given score of 0.

¹⁵³⁵ RBI Releases Draft Guidelines on Composition of Capital Disclosure Requirements, reserve Bank of India (Mumbai), 10 January 2013. Date of Access: 2 February 2013.

http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=27937

¹⁵³⁶ Towards Sustainable and Inclusive Growth: Challenges amidst the Global Turbulence – Bankers' Dinner, Speech by Dr. Darmin Narsution, Bank Indonesia, 23 November 2012. Date of Access: 29 December 2012

<http://www.bi.go.id/NR/rdonlyres/DA9C604D-0338-4570-9D56-7935C931E941/27565/BD2012EnglishSpeechFINALupload.pdf>

¹⁵³⁷ Towards Sustainable and Inclusive Growth: Challenges amidst the Global Turbulence – Bankers' Dinner, Speech by Dr. Darmin Narsution, Bank Indonesia, 23 November 2012. Date of Access: 29 December 2012

<http://www.bi.go.id/NR/rdonlyres/DA9C604D-0338-4570-9D56-7935C931E941/27565/BD2012EnglishSpeechFINALupload.pdf>

¹⁵³⁸ Report to G20 Leaders on Basel III Implementation, Bank of International Settlements and Basel, Committee on Banking Supervision (Basel) June 2012. Date of Access: 2 January 2013.

<http://www.bis.org/publ/bcbs220.pdf>

¹⁵³⁹ Press Release, Bank of International Settlements and Basel, Committee on Banking Supervision (Basel) December 2012. Date of Access: 2 January 2013. <http://www.bis.org/press/p121214a.htm>

Italy: +1

Italy, as a member of the European Union subject to the Union's regulations and directives, has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio (EBA/CP/2012/06) and comments could be made on the consultation paper until 27 August 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission.¹⁵⁴⁰

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions (EBA/CP/2012/04) and comments could be made on the consultation paper until 31 July 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission. Although the deadline set in the CRR for EBA to finalize these ITS is 31 December 2013, the EBA intends to submit them "within a shorter timeframe," as the CRR disclosure requirements will be applicable from 1 January 2013.¹⁵⁴¹

On 12 June 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context (EBA/CP/2012/07) and comments could be made on the consultation paper until 12 August 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take into account the final text of the CRR. The EBA's intention is that these RTS will form part of the general RTS on own funds which it consulted on in April 2012. These RTS must be submitted to the European Commission by 1 January 2013.¹⁵⁴²

On 21 June 2012, the European Parliament's Economic and Monetary Affairs Committee (ECON) published the reports that it has adopted on the proposed CRD IV Directive (dated 30 May 2012) and the Capital Requirements Regulation (CRR) (dated 12 June 2012). ECON voted to adopt these reports on 14 May 2012. The reports contain draft legislative resolutions for the

¹⁵⁴⁰ EBA consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP06/CP06-CP-on-ITS-Leverage-Ratio-Reporting.pdf>

¹⁵⁴¹ EBA consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP04/EBA-CP-2012-04--CP-on-ITS-disclosure-for-own-funds-.pdf>

¹⁵⁴² EBA consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP07/EBA-CP-2012-07--CP-on-RTS-Gain-on-Sale-on-securitisations-.pdf>

European Parliament with proposed amendments to the CRD IV Directive and the CRR. They will, among other things, implement the main Basel III reforms in the EU.^{1543,1544}

The Parliament was scheduled to consider these resolutions at its plenary session to be held between 2 and 5 July 2012.

In its July 2011 legislative proposals, the Commission stated that the “CRR and the CRD IV Directive were intended to come into force on 1 January 2013, with full implementation of their requirements by 1 January 2019.” Member states were expected to transpose the CRD IV Directive into national law by 31 December 2012 which follows the timelines expected by the BCBS for Basel III implementation.

On 10 July 2012, the Council published a press release concerning a meeting of ECOFIN held on 10 July 2012. The press release stated that negotiations between the EU authorities on the CRD IV Directive are almost complete and that talks are now focused on the CRR. “The negotiations with the Parliament are aimed at adoption of the regulation and directive at first reading. Outstanding issues include a proposed flexibility package, bankers’ remuneration, crisis management, sanctions, the balance of power between the authorities of “home” and “host” countries, corporate governance, and powers to be given to the European Banking Authority (EBA).”¹⁵⁴⁵

On 11 July 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09) and comments could be made on the consultation paper until 15 September 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take the final text of the CRR into account. The RTS must be submitted to the European Commission by 1 January 2013.¹⁵⁴⁶

On 17 July 2012, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/10) and comments could be made on the consultation paper by 30 September 2012. The consultation is based on the draft CRR as proposed by the European Commission in July 2011. Although the

¹⁵⁴³ The European Parliament's Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the proposed CRD IV Directive, European Parliament's Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0170+0+DOC+PDF+V0//EN>

¹⁵⁴⁴ The European Parliament's Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the Capital Requirements Regulation (CRR), European Parliament's Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0171%2b0%2bDOC%2bPDF%2bV0%2f%2fEN>

¹⁵⁴⁵ Press Release 12204/12, 3181st Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels), 10 July 2012. Date of Access: 6 January 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/131686.pdf

¹⁵⁴⁶ EBA consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk, European Banking Authority (London) 11 July 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP09/EBA-CP-2012-09-CP-credit-valuation-risk.pdf>

EBA has taken into account significant changes subsequently proposed during the legislative procedure, the draft RTS may be amended after consultation to take into account the final CRR text. The RTS must be submitted to the Commission by 1 January 2013.¹⁵⁴⁷

On 31 July 2012, the European Banking Authority (EBA) has published a press release announcing a timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting.

In the press release, the EBA announces that the finalization of the ITS for supervisory reporting has been pushed back pending the adoption by the EU authorities of the CRR.

It suggests that the implementation date for the full ITS requirements relating to financial information (FINREP) should be set to 1 January 2014 and that further decisions on phasing in other data requirements may be taken once the CRR itself is finalised.¹⁵⁴⁸

On 2 August 2012, the European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process. The EBF stated that it has learned that the Council of the EU has suspended its work on CRD IV until September 2012 and that the European Parliament has decided to vote on the legislation “at the end of October.” In July 2012 the Parliament suggested that it would consider CRD IV at its 10 to 13 September 2012 plenary session. However, this indicative date has since been removed from the Parliament website and the draft agenda for the 10 to 13 September plenary session no longer referred to CRD IV.¹⁵⁴⁹

The European Banking Industry Committee (EBIC) sent (and published) a letter to the EU institutions, calling for a reasonable period of time between the final text and implementation to allow banks to put in place the necessary procedures to comply with the new rules since the implementation “cannot possibly be achieved within a timeframe of one or two months.”¹⁵⁵⁰

On 29 August 2012, the European Banking Authority (EBA) published a press release announcing revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation. The EBA has published these documents ahead of a workshop on 13 September 2012. The press release emphasises that these versions should not be considered as final products and that the EBA will

¹⁵⁴⁷ EBA consultation paper on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR), European Banking Authority (London) 17 July 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP10/EBA-CP-2012-10-CP-on-RTS-on-SCRAs-and-GCRAs.pdf>

¹⁵⁴⁸ EBA Press Release announcing a timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting (London) 31 July 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-the-finalisation-and-implementation-of-t.aspx>

¹⁵⁴⁹ European Parliament website and the draft agenda (Brussels) 2 August 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/indexPartSession.do?reference=2012-09&language=EN>

¹⁵⁵⁰ European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process (Brussels) 2 August 2012. Date of Access: 6 January 2013. [http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20\(2\).pdf](http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20(2).pdf)

deliver the final draft templates and DPM to the European Commission for endorsement once the final text of the CRD IV legislation has been agreed.¹⁵⁵¹

On 31 August 2012, the Joint Committee of the European Supervisory Authorities (ESAs) (that is, EBA, EIOPA and ESMA) published a joint consultation paper (JP/CP/2012/02) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (FICOD). Comments could be made on the consultation paper by 5 October 2012. The draft RTS may be amended after consultation to take into account the final texts of the CRR and the CRD IV Directive. The RTS must be submitted to the Commission by 1 January 2013.¹⁵⁵²

On 18 September 2012, the European Banking Authority (EBA) published a list of responses it has received to its July 2012 consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09).¹⁵⁵³

On 22 October 2012, the European Banking Authority (EBA) published a report (dated September 2012) on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (CRR).¹⁵⁵⁴

On 9 November 2012, the European Banking Authority (EBA) published its second consultation on draft regulatory technical standards (RTS) on own funds under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/11). This consultation relates to the identification of mutuals, co-operatives and similar institutions. Comments can be made on the consultation paper by 21 December 2012. The July 2011 text of the CRR requires these RTS to be submitted to the Commission by 1 January 2013.

The consultation forms the second part of the EBA's consultation on RTS relating to own funds, the first part of which was published in April 2012. The EBA expects that the legal texts resulting from these consultations on own funds, and subsequent consultations to be published later in 2012, will be merged into a single act.¹⁵⁵⁵

On 13 November 2012, the European Banking Authority (EBA) published a discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital

¹⁵⁵¹ EBA Press Release announcing a revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation (London) 29 August 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/EBA-workshop-on-technical-standards-on-supervisory.aspx>

¹⁵⁵² Joint consultation paper of the European Supervisory Authorities (ESAs) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (London, Frankfurt, Paris) 31 August 2012. Date of Access: 6 January 2013. <http://www.esma.europa.eu/system/files/jc-cp-2012-02-.pdf>

¹⁵⁵³ List of responses published by the European Banking Authority on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (London) 18 September 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/2012/EBA-CP-2012-09/Responses-to-EBA-CP-2012-02.aspx>

¹⁵⁵⁴ EBA report on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (London) 22 October 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/EBA-SME-Report.pdf>

¹⁵⁵⁵ EBA's second consultation on RTS relating to own funds (London) 9 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP11/EBA-BS-2012-211-final-for-publication--Consultation-paper-on-draft-RTS-on-Article-25-2--a--.pdf>

Requirements Regulation (CRR) (EBA/DP/2012/03). Comments can be made on the discussion paper by 13 January 2013. The EBA intends to publish a consultation paper on the draft RTS before submitting them to the Commission. The 11 May 2012 draft of the CRR requires these RTS to be submitted to the Commission by 31 December 2013.¹⁵⁵⁶

On 13 November 2012, the Council of the EU has published a press release concerning a meeting of the Council, in its configuration as the Economic and Financial Affairs Council (ECOFIN), where ECOFIN remains committed to reaching an agreement with the European Parliament before the end of 2012 on the CRD IV legislation. The press release states that ECOFIN's objectives include "maintaining the balance" achieved in its May 2012 general approach on CRD IV.¹⁵⁵⁷

On 21 November 2012, the European Banking Federation (EBF) sent a letter to Michel Barnier, European Commissioner for Internal Market and Services, formally requesting "the postponement of the entry into force of the CRR/CRD IV until 1 January 2014," (which it considers would be a more reasonable timeframe) in the light of the announcement by US regulators that there would be an indefinite delay to their implementation of Basel III.¹⁵⁵⁸ Similar letters have been addressed to the Presidency of the Council of the European Union and the European Parliament rapporteur.¹⁵⁵⁹

On November 24 2012, European banks have asked the European Commission to postpone the introduction of Basel III by a year to 2014 after U.S. regulators delayed application of the new requirements. Brussels is also worried that Washington's decision to ignore the deadline will put European banks at a disadvantage to U.S. rivals.¹⁵⁶⁰

On 24 November 2012, a spokesman for Mr Barnier is quoted as saying that the CRD IV negotiations between the Council and the Parliament will be wrapped up in the coming weeks, and that Mr Barnier will seek clarity from the US and work for a co-ordinated US-EU approach.¹⁵⁶¹

¹⁵⁵⁶ EBA discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (London) 13 November. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Discussion%20Papers/DP%202012%2003/EBA-DP-2012-03--RTS-on-Prudent-Valuation---Final.pdf>

¹⁵⁵⁷ Press Release 16051/12, 3198th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 13 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/133470.pdf

¹⁵⁵⁸ European Banking Federation (EBF) letter to Member of the European Commission concerning entry into force of the CRR/CRD IV (Brussels) 21 November 2012. Date of Access: 6 January 2013. <http://www.ebf-fbe.eu/uploads/0374C-D2140A-2012-EBF%20President%20Draft%20letter%20to%20Barnier%20over%20US%20postpone....pdf>

¹⁵⁵⁹ EBA letter to Member of the European Commission (London) 5 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-05--Letter-on-draft-CRR---EBA-Op-2012-03-.pdf>

¹⁵⁶⁰ EU To Follow US In Delaying The Implementation Of Basel III, International Business Times (Washington, D.C.) 27 November 2012. Date of Access: 6 January 2013. <http://www.ibtimes.com/eu-follow-us-delaying-implementation-basel-iii-903024>

¹⁵⁶¹ European banks call for capital rule delay, The Telegraph (London) 24 November 2012. Date of Access: 6 January 2013. <http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9700443/European-banks-call-for-capital-rule-delay.html>

On 26 November 2012 Giuseppe Mussari, head of the Italian Banking Association, declared that “Basel III should be postponed, period. Not everyone in the world agrees and not everyone is starting with it at the same time.”¹⁵⁶²

On 27 November 2012, the European Banking Authority (EBA) published a letter (dated 21 November 2012), sent to Michel Barnier, European Commissioner for Internal Market and Services, relating to the proposed Capital Requirements Regulation (CRR).¹⁵⁶³

The Parliament is expected to consider CRD IV at its plenary session to be held between 10 and 13 December 2012.

A Council of the EU progress report dated 29 November 2012 stated that the Presidency still aimed to reach political agreement on CRD IV by the end of 2012.¹⁵⁶⁴

A press release issued after the ECOFIN meeting on 4 December 2012 stated that the Council “confirmed its commitment to reach an agreement with the Parliament before the end of the year.” “Further political trilogues are scheduled for 11 and 13 December in Strasbourg.”¹⁵⁶⁵

The Parliament is expected to consider the SSM proposals during its plenary session to be held between 10 and 13 December 2012.¹⁵⁶⁶

On 11 December 2012 Fabrizio Saccomanni, Director General of Bank of Italy, concurred by stating that “we are going towards a postponement of Basel III to the end of 2013, January 2014 at the latest.”¹⁵⁶⁷

On 17 December 2012, the European Commission has published a speech given by Michel Barnier, European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (SSM).¹⁵⁶⁸

In the speech, Mr Barnier commented that the ongoing trialogues on CRD IV will result in political agreement “very soon.” He stressed, however, the need for a “co-ordinated approach” with the US on implementing Basel III.¹⁵⁶⁹

¹⁵⁶² To be completed <http://online.wsj.com/article/BT-CO-20121126-702073.html>

¹⁵⁶³ EBA letter to Member of the European Commission concerning the proposed Capital Requirements Regulation (CRR) (London) 21 November 2012. Date of Access: 6 January 2013. to <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-21--Letter-on-floors---EBA-Op-2012-04-.pdf>

¹⁵⁶⁴ Council of the European Union progress report on CRD IV (Brussels) 29 November 2012. Date of Access: 6 January 2013. <http://register.consilium.europa.eu/pdf/en/12/st16/st16677.en12.pdf>

¹⁵⁶⁵ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/134037.pdf

¹⁵⁶⁶ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/134037.pdf

¹⁵⁶⁷ Basel III rules set to be delayed by up to a year – BoI, Reuters (Rome) 11 December 2012. Date of Access: 17 May 2012. <http://www.reuters.com/article/2012/12/11/europe-banks-baseliii-idUSI6E8MC01N20121211>

¹⁵⁶⁸ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

On 20 December 2012, the European Banking Authority (EBA) issued a press release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (CRR). The EBA describes the templates and instructions as “preliminary and informal in nature,” given the pending adoption of the final CRR text.

In the press release, the EBA stated that it intended to continue its existing work collecting and analyzing information on the liquidity coverage ratio (LCR), which it started at the beginning of 2012. The EBA will continue this exercise on a quarterly basis and will expand its scope to include reporting on the net stable funding and leverage ratio and to increase the number of firms involved.

The EBA intends to launch a consultation on the data point model for leverage and liquidity reporting in the first quarter of 2013.

The EBA will publish a final draft ITS as soon as the CRR text is finalized, together with revised templates and instructions reflecting the final CRR text. The EBA expects that not more than one year will be needed to implement these new reporting provisions and it envisages that the first remittance dates will fall in the first quarter of 2014 for the full ITS requirements on liquidity and leverage.¹⁵⁷⁰

The next dialogues on the CRD IV package of reforms between the Council of the EU, the European Parliament and the Commission will be continuing in January, with an indicative plenary sitting date on 12 January 2012.¹⁵⁷¹

On 21 February 2013, the EBA has published a discussion paper on defining liquid assets in the liquidity coverage ratio (LCR) under the draft CRR.¹⁵⁷² In a press release that accompanied the discussion paper, the EBA stated that the draft CRR text stipulates that the EU Commission will adopt a delegated act by 30 June 2014 to implement the LCR in EU regulation.¹⁵⁷³

¹⁵⁶⁹ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

¹⁵⁷⁰ EBA Press Release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (London) 20 December 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-supervisory-reporting-requirements-for-l.aspx>

¹⁵⁷¹ European Parliament website and the draft agenda (Brussels) 11 January 2013. Date of Access: 11 January 2013. <http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0203%28COD%29&l=en#keyEvents>

¹⁵⁷² EBA discussion paper on defining liquid assets in the LCR under the draft CRR (London) 21 February 2013. Date of Access: June 26 2013. <http://www.eba.europa.eu/documents/10180/42030/DP-on-defining-liquid-assets-in-the-LCR.pdf/8d39f0bc-248e-4185-8cda-7f7ff153b644?version=1.0>

¹⁵⁷³ EBA Press Release on the process to define highly liquid assets in the Liquidity Coverage Ratio (LCR) (London) 21 February 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/eba-consults-on-the-process-to-define-highly-liquid-assets-in-the-liquidity-coverage-ratio-lcr->

On the same day, the EBA also published a discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR.¹⁵⁷⁴

On 27 February 2013, Council of the EU published a press release announcing that the Council has reached provisional political agreement at trialogue with the European Parliament on CRD IV.¹⁵⁷⁵ The provisional agreement needs to be formally endorsed by the Council and by the Parliament before it is final. There will also be significant further technical work to complete the details of the legislation.

The Council press release states that the agreement on CRD IV will be considered by the Council of the EU at its meeting on 5 March 2013 in its configuration as the Economic and Financial Affairs Council (ECOFIN).

On 28 February 2013, the Parliament published a press release on the provisional agreement and stated that member states will be required to transpose the CRD IV Directive by 1 January 2014.¹⁵⁷⁶ The Parliament press release states that it will vote on CRD IV in its 15 to 18 April plenary session. The Parliament had previously indicated the vote would take place at the 20 to 23 May 2013 session.

On 1 March 2013, the Council published a background note on the provisional agreement, and sets out the five major compromises that was reached between the Council and the Parliament on five key issues.¹⁵⁷⁷

On 5 March 2013, the Council of the EU published a report from the Council Presidency to the Council on political agreement that was reached on CRD IV at a trialogue on 27 February 2013 which included a summary of the key issues that were reached.¹⁵⁷⁸ The Presidency invites the Council to endorse the provisional agreement reached on 27 February 2013 and to continue negotiations with the European Parliament to reach agreement at first reading as soon as possible.

On 5 March 2013, the Council of the EU published a press release announcing, in its configuration as the Economic and Financial Affairs Council (ECOFIN), it had “broadly endorsed” the provisional political agreement reached on CRD IV in a trialogue on 27 February

¹⁵⁷⁴ EBA discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR (London) 21 February 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/discussion-paper-on-retail-deposits-subject-to-higher-outflows-for-the-purposes-of-liquidity-reporting-under-the-capital-requirements-regulation-crr->

¹⁵⁷⁵ Council of the European Union press release on provisional political agreement at trialogue with the European Parliament on CRD IV (Brussels) 27 February 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/135718.pdf

¹⁵⁷⁶ The European Parliament's Economic and Monetary Affairs Committee (ECON) press release on provisional agreement reached (Brussels) 28 February 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/news/en/pressroom/content/20130225IPR06048/html/MEPs-cap-bankers'-bonuses-and-step-up-bank-capital-requirements>

¹⁵⁷⁷ Council of the European Union background note on provisional political agreement which sets out the five major comprises (Brussels) 1 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/135754.pdf

¹⁵⁷⁸ Council of the European Union report on the first reading of the revised capital requirement rules (CRD IV) (Brussels) 2 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st06/st06947.en13.pdf>

2013.¹⁵⁷⁹ On that basis, the Council has mandated the Permanent Committee of Representatives (COREPER) to finalise negotiations with the European Parliament on outstanding technical issues with the aim of reaching a final deal in the second half of March 2013.

On 11 March 2013, the EBA published a consultation on draft regulatory technical standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under the proposed CRR.¹⁵⁸⁰ The consultation ran until 11 June 2013.

On 15 March 2013, the European Banking Authority (EBA) published revised draft versions of its templates, instructions, validation rules and data point model (DPM) for implementing technical standards (ITS) on supervisory reporting under CRD IV.¹⁵⁸¹

On 18 March 2013, the European Banking Authority (EBA) published two consultations on draft data point models (DPMs) based on its draft implementing technical standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding, and leverage ratio.¹⁵⁸² Comments were invited by 13 May 2013.

On 19 March 2013, the European Banking Authority (EBA) published a report of the results of its third Basel III monitoring exercise on the European banking system.¹⁵⁸³

On 21 March 2013, the European Commission published a press release announcing agreement in trilogue on CRD IV.¹⁵⁸⁴

¹⁵⁷⁹ Council of the European Union press release on endorsing agreement with EP (Brussels) 5 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/135823.pdf

¹⁵⁸⁰ EBA launches consultation on draft technical standards (RTS) aimed at specifying the conditions for assessing the materiality of extensions and changes to internal approaches when calculating own funds requirements for credit, market and operational risk (London) 11 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consults-on-the-conditions-for-assessing-the-materiality-of-extensions-and-changes-of-internal-approaches-for-credit-market-and-operational-risk>

¹⁵⁸¹ EBA press release on update on the technical standards on supervisory reporting requirements Authority (London) 15 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/update-on-the-technical-standards-on-supervisory-reporting-requirements>

¹⁵⁸² EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding and EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Leverage Ratio (London) 18 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-liquidity-coverage-and-stable-fundin>

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-leverage-ratio>

¹⁵⁸³ EBA report of the Basel III monitoring exercise on the European banking system (London) 19 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/documents/10180/16145/ISG-Basel-III-monitoring-exercise---Public-Report--Final-.pdf>

¹⁵⁸⁴ Statement by Commissioner Michel Barnier following the agreement in trilogue on new European rules to impose stronger prudential requirements on banks (Brussels) 21 March 2013. Date of Access: 26 June 2013.

http://europa.eu/rapid/press-release_MEMO-13-269_en.htm?locale=en

On 26 March 2013, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on the reporting format for asset encumbrance.¹⁵⁸⁵

On the same day, the European Banking Authority (EBA) also published a consultation paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data.¹⁵⁸⁶ The EBA expects to finalise these additional standards by Q3 2013. Comments on both consultation papers were invited by 24 June 2013.

On 27 March 2013, the Council of the European Union issued a press release announcing that the Permanent Committee of Representatives (COREPER) had approved compromise texts on CRD IV.¹⁵⁸⁷ The Council explains in its press release that if the European Parliament approves the texts as agreed, the Council will also approve them without further discussion. It adds that the new rules will apply from 1 January 2014 if publication takes place in the Official Journal of the European Union (OJ) by 30 June 2013.

The Council reports that the compromise texts were acceptable to a qualified majority; the United Kingdom did not support them.

On the same day, the proposed CRD IV Directive text¹⁵⁸⁸ and the proposed Capital Requirements Regulation (CRR) text¹⁵⁸⁹, as agreed in political dialogue, were published (dated 26 March 2013).

On 10 April 2013, the Secretariat of the Council of the EU published an addendum to the published text of the Capital Requirements Regulation (CRR) on which political agreement was reached in March 2013.¹⁵⁹⁰

On 12 April 2013, the European Parliament published revised versions of the proposed CRD IV Directive¹⁵⁹¹ and the proposed Capital Requirements Regulation (CRR)¹⁵⁹² for plenary vote.

¹⁵⁸⁵ EBA Consultation Paper on Asset Encumbrance Reporting (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-asset-encumbrance-reporting>

¹⁵⁸⁶ EBA Consultation Paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-supervisory-reporting-on-forbearance-and-non-performing-exposures>

¹⁵⁸⁷ Council of the European Union press release on confirming agreement with EP (Brussels) 27 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/136581.pdf

¹⁵⁸⁸ Council of the European Union publishes the proposed CRD IV Directive (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07746.en13.pdf>

¹⁵⁸⁹ Council of the European Union publishes the proposed the proposed Capital Requirements Regulation (CRR) text (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747.en13.pdf>

¹⁵⁹⁰ Council of the European Union addendum to the published text of the Capital Requirements Regulation (CRR) (Brussels) 9 April 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747-ad01.en13.pdf>

¹⁵⁹¹ European Parliament publishes a revised text of the CRD IV Directive (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0170&format=PDF&language=EN&secondRef=002-002>

On 16 April 2013, the European Parliament announced that it has adopted at first reading compromise texts for CRD IV on which political agreement was reached with the Council of the EU in March 2013.¹⁵⁹³ The texts were published on the same day.¹⁵⁹⁴

The Parliament and the Council are co-legislators and need to approve the same final text of the proposals.

On 17 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets.¹⁵⁹⁵

On 20 May 2013, the European Banking Authority (EBA) published a consultation on draft implementing technical standards (ITS) on joint decisions on institution-specific prudential requirements of the proposed CRD IV Directive.¹⁵⁹⁶

On 21 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.¹⁵⁹⁷

On the same day, the European Banking Authority (EBA) published two consultations on passport notifications.¹⁵⁹⁸ The consultation runs until 21 August 2013.

¹⁵⁹² European Parliament publishes a revised text of the Capital Requirements Regulation (CRR) (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0171&format=PDF&language=EN&secondRef=002-002>

¹⁵⁹³ European Parliament press release on adopting CRD IV on first reading (Brussels) 10 April 2013. Date of Access: 26 June 2013.

http://www.europarl.europa.eu/pdfs/news/expert/infopress/20130416IPR07333/20130416IPR07333_en.pdf

¹⁵⁹⁴ European Parliament publishes the adopted CRD IV Directive and Capital Requirements Regulation (Brussels) 16 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-02+DOC+WORD+V0//EN&language=EN>

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-03+DOC+WORD+V0//EN&language=EN>

¹⁵⁹⁵ EBA Consultation Paper on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets (London) 17 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-regulatory-technical-standards-on-the-determination-of-the-overall-exposure-to-a-client-or-a-group-of-connected-clients-in>

¹⁵⁹⁶ EBA Consultation Paper on draft Implementing Technical Standards (ITS) on institution-specific prudential requirements (London) 20 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-implementing-technical-standards-its-on-institution-specific-prudential-requirements>

¹⁵⁹⁷ EBA Consultation Paper on draft Technical Standards for the definition of material risk takers for remuneration purposes (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-technical-standards-for-the-definition-of-material-risk-takers-for-remuneration-purposes>

¹⁵⁹⁸ EBA Consultation Paper on draft on draft ITS on Passport Notifications (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-its-on-passport-notifications>

On 22 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory and implementing technical standards (RTS and ITS) on securitisation retention rules.¹⁵⁹⁹

On 23 May 2013, the European Banking Authority (EBA) published five consultation papers on draft regulatory and implementing technical standards under the proposed CRR.¹⁶⁰⁰ The consultation runs until 22 August 2013.

On 5 June 2013, the European Banking Authority (EBA) published near-final draft regulatory technical standards (RTS) on own funds under CRD IV.¹⁶⁰¹

On 16 June 2013, the Council of the EU has published revised texts (dated 14 June 2013) of the Capital Requirements Regulation (CRR)¹⁶⁰² and the CRD IV Directive.¹⁶⁰³

On 18 June 2013, the European Parliament published revised texts (dated 6 June 2013) of the Capital Requirements Regulation (CRR)¹⁶⁰⁴ and the CRD IV Directive.¹⁶⁰⁵

On 20 June 2013, the Council of the EU published a press release announcing that, in its configuration as the Employment, Social Policy, Health and Consumer Affairs Council, it has adopted without discussion the Capital Requirements Regulation (CRR) and the CRD IV Directive that were proposed and published on 16 June 2013.¹⁶⁰⁶ The decision was taken by a

¹⁵⁹⁹ EBA Consultation Paper on draft Technical Standards on securitisation retention rules (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-on-draft-technical-standards-on-securitisation-retention-rules>

¹⁶⁰⁰ EBA Consultation Papers on draft regulatory and implementing technical standards under the proposed CRR (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-guidelines-on-capital-measures-for-foreign-currency-lending>

<http://www.eba.europa.eu/-/consultation-on-draft-its-on-additional-liquidity-monitoring-metri-1>

<http://www.eba.europa.eu/-/consultation-on-draft-rts-on-additional-liquidity-outflows>

<http://www.eba.europa.eu/-/consultation-on-technical-standards-for-own-funds-part-iii>

¹⁶⁰¹ EBA publishes near-final draft regulatory technical standards (London) 5 June 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-publishes-near-final-draft-regulatory-technical-standards-on-own-funds>

¹⁶⁰² Council of the European Union publishes revised Capital Requirements Regulation (CRR) text (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00014.en13.pdf>

¹⁶⁰³ Council of the European Union publishes revised CRD IV Directive (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00015.en13.pdf>

¹⁶⁰⁴ European Parliament publishes revised Capital Requirements Regulation (CRR) text (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0115&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁶⁰⁵ European Parliament publishes revised CRD IV Directive (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0114&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁶⁰⁶ Council of the European Union press release on Council adopting new bank capital requirements (Brussels) 20 June 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/137544.pdf

qualified majority of delegations, with the United Kingdom voting against. The press release states that the new rules will come into force on 1 January 2014.

On 27 June 2013, the document Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) was published in the Official Journal of the EU (OJ).¹⁶⁰⁷ The CRR enters into force on 28 June 2013 and, with the exception of certain provisions specified in Article 521, will apply from 1 January 2014.

On 27 June 2013, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV Directive) was published in the Official Journal of the EU (OJ).¹⁶⁰⁸ The Directive enters into force on the twentieth day following its publication in the OJ. With the exception of certain provisions specified in Article 162, 31 December 2013 is the deadline for member states to transpose the Directive and to apply its provisions.

The CRR and the CRD IV Directive, collectively referred to as CRD IV, implement the Basel III reforms in the EU, as well as introducing certain EU-specific reforms including imposing restrictions on bonuses. The CRD IV Directive repeals the Capital Requirements Directive (2006/48/EC and 2006/49/EC) with deadline of transposition no later than 31 December 2013 and with effect from 1 January 2014.

As the European Union's capital regulations have been agreed upon and have been scheduled for implementation, the EU and its member countries have fully complied with their commitment. Italy has thus been awarded a score of +1.

Analysts: Vitali Selivanov, Alexandra Popa

Japan: +1

Japan has fully complied with its commitment to translate Basel III recommendations in national regulatory standards.

On 30 March 2012, Japan's Financial Services Agency published an amendment to administrative notice on capital adequacy rules for internationally active banks based on Basel III. The new rules will be implemented on 31 March 2013.¹⁶⁰⁹ Since the FSA published its final rules in March 2012, no further information pertaining to Basel III implementation has been published by the Agency.

¹⁶⁰⁷ Regulation (EU) No 575/2013¹⁶⁰⁷ of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0001:0337:EN:PDF>

¹⁶⁰⁸ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:EN:PDF>

¹⁶⁰⁹ Publication of amendment to administrative notice on capital adequacy rules for internationally active banks based on Basel III, Financial Services Agency (Tokyo), 30 March 2012. Date of Access: 17 May 2012.

<http://www.fsa.go.jp/en/news/2012/20120330-1.html>

Japan has fully complied with its commitment to translate Basel III recommendations in national regulatory standards and has thus been awarded a score of +1.

Compliance Co-director : Alexandre de Palma

Korea: 0

Korea has partially complied with its commitment to take action to translate new bank capital and liquidity standards set in the Basel III framework into national laws and regulations.

In October 2012, the BCBS and the BIS released their updated progress report on Basel III implementation. According to the report, Korea received classification 2 (of 4) for publishing draft regulation towards implementing Basel III.¹⁶¹⁰

On 28 November 2012, the Financial Supervisory Service (FSS) stated the domestic bank's BIS capital adequacy ratio and tier 1 capital ratio under Basel II was on average 14.09 per cent and 11.15 per cent at the end of September 2012. Both ratios increased by 0.26 per cent and 0.12 per cent accordingly from the end of the previous quarter, June 2012. The FSS further notes that FSS "will continue to encourage domestic banks to hold sufficient high quality of capital" under Basel III implementation.¹⁶¹¹

On 6 December 2012, the FSS reported that the consolidated BIS ratio and the consolidated Tier 1 ratio of bank holding companies averaged 13.07 per cent and 10.49 per cent at the end of September 2012. Both ratio increased by 0.15 per cent and 0.05 percent accordingly from the end of the previous quarter, June 2012. The FSS states the bank holding companies "are getting ready for the Basel implementation in 2013 by building up additional capital by issuing subordinated debt."¹⁶¹²

On 21 December 2012, the Financial Services Commission (FSC) announced that "FSC will set a specific timeline for domestic implementation after closely monitoring progress on Basel III implementation in other countries, while maintaining our basic principle to apply Basel II to domestic banks and Bank holding companies."¹⁶¹³

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. According to the report, Korea received classification 2 (of 4) for their draft regulation on 27 September

¹⁶¹⁰ Progress report on Basel III implementation, Bank of International Settlements and Basel Committee on banking Supervision (Basel) October 2012. Date of Access: 3 January 2013.

<http://www.bis.org/publ/bcbs232.pdf>

¹⁶¹¹ Press Release: Domestic Banks' BIS Capital Ratios as of end-September 2012, Financial Supervisory Service, 28 November 2012. Date of Access: 3 January 2013.

<http://english.fss.or.kr/fss/en/media/release/view.jsp?bbsid=1289277491315&category=null&idx=1354147377807&num=709&color=green>

¹⁶¹² Press Release: Bank Holding Companies' Capital Ratios as of end-September 2012, Financial Supervisory Service, 6 December 2012. Date of Access: 3 January 2013.

<http://english.fss.or.kr/fss/en/media/release/view.jsp?bbsid=1289277491315&category=null&idx=1354768959200&num=9&color=green>

¹⁶¹³ Press Release: Implementation Plan for Basel III, Financial Services Commission, 21 December 2012. Date of Access: 3 January 2013. <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=82647>

2012, and the report further mentions that the final regulations are ready and at an adequate time it will be executed.¹⁶¹⁴

On 20 May 2013, the Financial Supervisory Service (FSS) stated the domestic banks' BIS capital adequacy ratio and tier 1 capital ratio under Basel II was on average 14.00 per cent and 10.99 percent at the end of March 2013. Both figures meet the standards of minimum capital requirements with BIS ratio higher than 10 per cent and Tier 1 ratios higher than 7 percent. The FSS notes that they will “urge domestic banks to hold sufficient high quality of capital as domestic banks will continue to face tougher rules under Basel III implementation.”¹⁶¹⁵

On 7 June 2013, Financial Supervisory Service (FSS) announced that “the FSS will encourage bank holding companies to strengthen capital adequacy management as they will face strengthened capital regulations including Basel II and III amid global uncertainties arising from the low-growth, low-interest rate environment.”¹⁶¹⁶

Korea declares intent to take regulatory action towards implementation of Basel III framework and has thus been awarded a score of 0.

Analyst: Jeonggyu Han

Mexico: +1

Mexico has fully complied with its commitment to translate Basel III recommendations in national regulations.

In a 21 August 2012 conference, Dr. Guillermo Babatz, president of Mexico's National Banking and Securities Commission, announced, “Mexico will be the first country to implement the new capital requirements under the Basel III framework.”¹⁶¹⁷

On 14 December 2012, the Basel Committee on Banking Supervision indicated that “The number of member jurisdictions that have published the final set of Basel III regulations effective from the start date of 1 January 2013 is 11. These include [...] Mexico [...]”¹⁶¹⁸

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. The reports

¹⁶¹⁴ Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

¹⁶¹⁵ Press Release: Domestic Banks' BIS Capital Ratios: March 2013, Financial Supervisory Service, 5 May 2013. Date of Access: 23 June 2013. <http://english.fss.or.kr/fss/en/media/release/view.jsp?bbsid=1289277491315&category=null&idx=1354147377807&num=709&color=green>

¹⁶¹⁶ Press Release: Bank Holding Companies' Capital Ratios: March 2013, Financial Supervisory Service, 7 June 2013. Date of Access: 23 June 2013. <http://english.fss.or.kr/fss/en/media/release/view.jsp?bbsid=1289277491315&category=null&idx=1370575889465&num=18&color=green>

¹⁶¹⁷ Conferencia de Prensa del Dr. Guillermo Babatz, sobre la implementación de Basilea III en México, Comisión Nacional Bancaria y de Valores (Mexico City), 21 August 2012. Date of Access : 22 February 2013. http://www.cnbv.gob.mx/Prensa/Presentaciones%20y%20Discursos/Basilea%203%20en%20M%C3%A9xico_presentacion.pdf

¹⁶¹⁸ Press Release, Bank of International Settlements and Basel Committee on Banking Supervision (Basel) December 2012. Date of Access: 2 January 2013. <http://www.bis.org/press/p121214a.htm>

state that regarding Mexico, the final rules are already applicable: “the domestic legal and regulatory framework is already applied to banks.”¹⁶¹⁹

Mexico has fully complied with its commitment to translate Basel III recommendations in national regulatory standards and has thus been awarded a score of +1.

Analysts: Laila Kanji, Alexandre de Palma

Russia: +1

Russia has fully complied with its commitment to adopt regulations in accordance with the Basel capital and liquidity framework.

On 1 November 2012, the Russian Central Bank Board of Directors approved Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015. According to the Guidelines, in 2013 Russian Central Bank will issue a number of regulations on calculating capital and its adequacy in accordance with the Basel III framework. It will also organize accumulation and analysis of information on leverage and liquidity ratios of Russian banks in 2013-2014.¹⁶²⁰

On 28 December 2012, Russian Central Bank published the regulation for capital definition and capital adequacy ratios assessment in accordance with the Basel III framework. Most provisions of this regulation entered into force on 1 March 2013.¹⁶²¹

On 15 January 2013, Deputy Chairman of the Bank of Russia Mikhail Sukhov announced that along with capital definition and capital adequacy ratios assessment procedures, Russian Central Bank in 2013 would adopt the principles of leverage and liquidity ratios calculation in accordance with the Basel III framework.¹⁶²²

On 5 March 2013, Russian Central Bank issued instructive regulation, providing for the new forms of reporting on capital definition and capital adequacy ratios calculation in accordance with Basel III.¹⁶²³

Russia has taken action to translate the new bank capital and liquidity standards into national laws and regulations, as per the Basel III accords, and declared intent to continue this work. Thus, it receives a score of +1.

Analyst: Andrey Shelepov

¹⁶¹⁹ Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

¹⁶²⁰ Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015, Bank of Russia 7 November 2012. Date of Access: 22 March 2013. [http://cbr.ru/today/publications_reports/on_2013\(2014-2015\).pdf](http://cbr.ru/today/publications_reports/on_2013(2014-2015).pdf).

¹⁶²¹ Information, the Central Bank of the Russian Federation 27 February 2013. Date of Access: 22 March 2013. http://www.cbr.ru/pw.aspx?file=press/VBR/130227_104513vbr.htm.

¹⁶²² Liabilities Miss the Point, Rossijskaya Gazeta 15 January 2013. Date of Access: 22 March 2013. <http://www.rg.ru/2013/01/15/banki.html>.

¹⁶²³ Instructive Regulation No. 2977-U of 5 March 2013, the Central Bank of the Russian Federation 5 March 2013. Date of Access: 22 March 2013. http://www.cbr.ru/analytics/standart_acts/reports/2977-u.pdf.

Saudi Arabia: +1

Saudi Arabia has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

On 22 November 2012, the Saudi Arabia's regulator declared "it will allow Tier 1 and Tier 2 instruments that no longer qualify under Basel III to be phased out over a 10-year period beginning in 2013,"¹⁶²⁴ following their published final regulation.

In October 2012, the BCBS and the BIS released their updated progress report on Basel III implementation. According to the report, Saudi Arabia received classification 3 (of 4) for issuing final regulation to banks.¹⁶²⁵

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. The reports state that regarding Saudi Arabia, the final rules are already applicable: "the domestic legal and regulatory framework is already applied to banks."¹⁶²⁶

Thus, Saudi Arabia is awarded a score of +1.

Analyst: Jeonggyu Han

South Africa: +1

South Africa has fully complied with its commitment to take action to translate the new bank capital and liquidity standards into national laws and regulations, as per the Basel III accords.

On 27 May 2013, the South African Reserve Bank published an annual report on banking supervision that stated that South Africa is among the first ten regulatory authorities to have implemented the Basel III framework on schedule.¹⁶²⁷

On 21 November 2012 Pravin Gordhan, Minister of Finance of South Africa, approved banking regulations based on the Basel III framework. The regulations took effect on 1 January 2013 and will follow a phased-in approach that will continue to 2018, observing the timelines determined by the Basel Committee.¹⁶²⁸

¹⁶²⁴ MIDEAST DEBT- Sukuk become tool in Basel III capital-raising, Reuters, 22 November 2012. Date of Access: 3 January 2013. <http://www.reuters.com/article/2012/11/22/islamic-finance-hybrids-idUSL5E8LGUAQ20121122>

¹⁶²⁵ Progress report on Basel III implementation, Bank of International Settlements and Basel Committee on Banking Supervision (Basel) October 2012. Date of Access: 3 January 2013. <http://www.bis.org/publ/bcbs232.pdf>

¹⁶²⁶ Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

¹⁶²⁷ Media Release: Bank Supervision Annual Report for 2012, South African Reserve Bank (Pretoria) 27 May 2013. Date of Access: 1 July 2013. <http://www.resbank.co.za/publications/detail-item-view/pages/publications.aspx?sarbweb=3b6aa07d-92ab-441f-b7bf-bb7dfb1bedb4&sarblast=21b5222e-7125-4e55-bb65-56fd3333371e&sarbitem=5734>.

¹⁶²⁸ Amended Regulations (Basel III), South African Reserve Bank (Pretoria) 13 December 2012. Date of Access: 4 January 2013. <http://www.resbank.co.za/Publications/Detail-Item-View/Pages/Publications.aspx?sarbweb=3b6aa07d-92ab-441f-b7bf-bb7dfb1bedb4&sarblast=21b5222e-7125-4e55-bb65-56fd3333371e&sarbitem=5007>.

On 15 October 2012, the Office of the Registrar of Banks of the South African Reserve Bank issued a guidance note to all banks, controlling companies, branches of foreign institutions, eligible institutions, and auditors of banks or controlling companies notifying them of the new capital framework. The guidance note informed the relevant institutions that the prescribed minimum required capital ratios would be implemented on 1 January 2013 and detailed the capital framework's phase-in requirements. The Office of the Registrar of Banks noted that it will provide guidance on specific aspects of the new capital framework if necessary and required acknowledgement of receipt of the guidance note.¹⁶²⁹

To prepare banks for the official submission of reports as per Basel III requirements, the Office of the Registrar of Banks issued a parallel test run that commenced on 12 November 2012. All banks registered in the Republic of South Africa were required to submit data to the Office pertaining to the reporting months of September 2012 through December 2012.¹⁶³⁰

In addition, the South African Reserve Bank conducted industry training sessions in October 2012 in order to assist banking institutions with the transition. The South African Reserve Bank offered training in the following topics: balance sheets, off-balance sheet activities, and income statements; central counterparties; counterparty credit risk; credit risk; total risk weighted exposure; daily returns; liquidity risk; operational risk; securitisation schemes and related exposure; capital adequacy and consolidated supervision; information required by the Registrar and the Research Department of the South African Reserve Bank; and disclosures.¹⁶³¹

In April 2013, the BCBS and the BIS published their updated report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform. The reports state that regarding South Africa, the final rules are already applicable: "the domestic legal and regulatory framework is already applied to banks."¹⁶³²

For its actions implementing of the Basel III framework on bank capital and liquidity standards, South Africa has been awarded a score of +1.

Analyst: Katherine DeMallie

Turkey: 0

Turkey has declared intent to take action to translate new bank capital and liquidity standards into national laws and regulations and has thus partially complied with its commitment to complete the work required to implement Basel III.

¹⁶²⁹ Guidance Note 9/2012 issued in terms of section 6(5) of the Banks Act, 1990, Office of the Registrar of Banks of the South African Reserve Bank (Pretoria) 16 October 2012. Date of Access: 4 January 2013. <http://www.resbank.co.za/publications/detail-item-view/pages/publications.aspx?sarbweb=3b6aa07d-92ab-441f-b7bf-bb7dfb1bedb4&sarblast=21b5222e-7125-4e55-bb65-56fd3333371e&sarbitem=5154>.

¹⁶³⁰ Guidance Note 6/2012 issued in terms of section 6(5) of the Banks Act, 1990, Office of the Registrar of Banks of the South African Reserve Bank (Pretoria) 10 July 2012. Date of Access: 4 January 2013. <http://www.resbank.co.za/publications/detail-item-view/pages/publications.aspx?sarbweb=3b6aa07d-92ab-441f-b7bf-bb7dfb1bedb4&sarblast=21b5222e-7125-4e55-bb65-56fd3333371e&sarbitem=5085>.

¹⁶³¹ South Africa's Implementation of Basel II and Basel III, South African Reserve Bank (Pretoria) December 2012. Date of Access: 4 January 2013. <http://www.resbank.co.za/RegulationAndSupervision/BankSupervision/TheBaselCapitalAccord%28Basel%20II%29/Pages/AccordImplementationForum%28AIF%29.aspx>.

¹⁶³² Report to G20 finance ministers and central bank governors on monitoring implementation of Basel III regulatory reform, Bank of International Settlements and Basel Committee on Banking Supervision, April 2013. Date of Access: 21 June 2013. <http://www.bis.org/publ/bcbs249.pdf>

In February 2013, the Banking Regulation and Supervision Agency of Turkey (BRSA) issued two sets of draft regulations related to the capital requirements of Basel III.¹⁶³³ “Draft Regulation on the Own Funds of Banks” and “Draft Regulation on the Measurement and Evaluation of Capital Adequacy of Banks” were released and opened to public opinion on 4 February 2013. “Draft Regulation on Capital Protection and Cyclic Capital Buffers” was released and opened to public opinion on 13 February 2013.¹⁶³⁴

The Central Bank of the Republic of Turkey published a report in November 2012 in which it stated that “the preliminary studies for Basel III implementation have started in Turkey and it is planned to be incorporated into the national legislation and applied by the BRSA in concordance with the timetable set by the Basel Committee.” The report noted that Turkey has been implementing Basel II regulations since the beginning of July 2012 and that Turkey has “initiated the preparation process for Basel III, covering liquidity and leverage regulations in addition to capital adequacy as well.”¹⁶³⁵

The same report indicated that by June 2012, the Turkish banking sector maintained a leverage ratio of 7.6 per cent, which the Central Bank considered to be “a positive indicator according to Basel III criteria.”¹⁶³⁶ The report also noted that the total liquidity adequacy ratios of the banking sector have stood above the legal ratio of 100 per cent.

In a press release dated 14 December 2012, the Bank for International Settlements (BIS) did not include Turkey in its list of member jurisdictions that issued Basel III regulations effective from the start date of 1 January 2013. However, the BIS noted that Turkey “will issue draft regulations early in 2013.”¹⁶³⁷

In October 2012, the Basel Committee on Banking Supervision (BCBS) and the Bank for International Settlements (BIS) published an updated progress report on Basel III implementation. The report gave Turkey a score of 1 out of 4 for not having published draft regulation as of September 2012. However, Turkey received scores of 4 for completing implementation of Basel II and 2.5 regulations.¹⁶³⁸

¹⁶³³ Report to G20 Finance Ministers and Central Bank Governors on Monitoring Implementation of Basel III Regulatory Reform, Basel Committee on Banking Supervision (Basel) April 2013. Date of Access: 2 July 2013. <http://www.bis.org/publ/bcbs249.pdf>.

¹⁶³⁴ Press Release Concerning the Draft Regulation Prepared Within the Scope of Basel III, Banking Regulation and Supervision Agency of Turkey (Ankara) 7 March 2013. Date of Access: 2 July 2013. http://www.bddk.org.tr/websitesi/english/Announcements/Press_Releases/11840pressrelease_leverageratio.pdf.

¹⁶³⁵ Financial Stability Report - Volume 15, Central Bank of the Republic of Turkey (Ankara) November 2012. Date of Access: 6 January 2013. <http://www.tcmb.gov.tr/yeni/eng/>.

¹⁶³⁶ Financial Stability Report - Volume 15, Central Bank of the Republic of Turkey (Ankara) November 2012. Date of Access: 6 January 2013. <http://www.tcmb.gov.tr/yeni/eng/>.

¹⁶³⁷ Implementation of the Basel III Framework, Bank for International Settlements (Hong Kong) 14 December 2012. Date of Access: 4 January 2013. <http://www.bis.org/press/p121214a.htm>.

¹⁶³⁸ Progress Report on Basel III Implementation, Basel Committee on Banking Supervision (Basel) October 2012. Date of Access: 4 January 2013. <http://www.bis.org/publ/bcbs232.htm>.

Six Turkish banks participated in the quantitative impact study launched by the Basel Committee in 2010 to assess the effect of Basel III. The capital adequacy ratio of these banks was 14.3 per cent, which is well above the Basel III requirements, according to the Central Bank of the Republic of Turkey's November 2012 report. The Central Bank therefore concluded that "the Turkish banking sector will unlikely have any problems in harmonizing with the Basel III principles in the criteria of capital adequacy."¹⁶³⁹

Because Turkey has declared intent to translate the Basel III framework into its national laws and regulations, it has been awarded a score of 0.

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The United Kingdom, as a member of the European Union subject to the Union's regulations and directives, has fully complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

The FSA announced in its June 2012 policy development update (PDU148) that it would publish a consultation paper "Strengthening Capital Standards 4" on the implementation of CRD IV in the UK in the third quarter of 2012. However, in its frequently asked questions on supervisory reporting under CRD IV published on 7 August 2012, the FSA stated that it would not publish a consultation on CRD IV before the final text of the legislation had been agreed.¹⁶⁴⁰

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio (EBA/CP/2012/06) and comments could be made on the consultation paper until 27 August 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission.¹⁶⁴¹

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions (EBA/CP/2012/04) and comments could be made on the consultation paper until 31 July 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission. Although the deadline set in the CRR for EBA to finalize these ITS is 31 December 2013, the EBA intends to submit them

¹⁶³⁹ Financial Stability Report - Volume 15, Central Bank of the Republic of Turkey (Ankara) November 2012. Date of Access: 6 January 2013.

<http://www.tcmb.gov.tr/yeni/eng/>.

¹⁶⁴⁰ FSA's newsletter on publishing a consultation paper "Strengthening Capital Standards 4" on the implementation of CRD IV in the UK (London) June 2012. Date of Access: 6 January 2013.

<http://www.fsa.gov.uk/static/pubs/newsletters/pdu-newsletter-june12.pdf>

¹⁶⁴¹ EBA consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://www.eba.europa.eu/cpbs/media/Publications/Consultation%20Papers/2012/CP06/CP06-CP-on-ITS-Leverage-Ratio-Reporting.pdf>

“within a shorter timeframe,” as the CRR disclosure requirements will be applicable from 1 January 2013.¹⁶⁴²

On 12 June 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context (EBA/CP/2012/07) and comments could be made on the consultation paper until 12 August 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take into account the final text of the CRR. The EBA’s intention is that these RTS will form part of the general RTS on own funds which it consulted on in April 2012. These RTS must be submitted to the European Commission by 1 January 2013.¹⁶⁴³

On 21 June 2012, the European Parliament’s Economic and Monetary Affairs Committee (ECON) published the reports that it has adopted on the proposed CRD IV Directive (dated 30 May 2012) and the Capital Requirements Regulation (CRR) (dated 12 June 2012). ECON voted to adopt these reports on 14 May 2012. The reports contain draft legislative resolutions for the European Parliament with proposed amendments to the CRD IV Directive and the CRR. They will, among other things, implement the main Basel III reforms in the EU.^{1644,1645}

The Parliament was scheduled to consider these resolutions at its plenary session to be held between 2 and 5 July 2012.

On 26 June 2012, HMRC published a note (updated in September 2012) updating its views on the tax treatment of CRD IV-compliant regulatory capital instruments.¹⁶⁴⁶

In its July 2011 legislative proposals, the Commission stated that the “CRR and the CRD IV Directive were intended to come into force on 1 January 2013, with full implementation of their requirements by 1 January 2019.” Member states were expected to transpose the CRD IV

¹⁶⁴² EBA consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP04/EBA-CP-2012-04--CP-on-ITS-disclosure-for-own-funds-.pdf>

¹⁶⁴³ EBA consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP07/EBA-CP-2012-07--CP-on-RTS-Gain-on-Sale-on-securitisations-.pdf>

¹⁶⁴⁴ The European Parliament’s Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the proposed CRD IV Directive, European Parliament’s Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0170+0+DOC+PDF+V0//EN>

¹⁶⁴⁵ The European Parliament’s Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the Capital Requirements Regulation (CRR), European Parliament’s Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0171%2b0%2bDOC%2bPDF%2bV0%2f%2fEN>

¹⁶⁴⁶ The Government publishes a note on tax treatment of CRD IV-compliant regulatory capital instruments, HM Treasury (London) 26 June 2012. Date of Access: 6 January 2013. <http://www.hmrc.gov.uk/basel3/reg-capital-paper.pdf>

Directive into national law by 31 December 2012 which follows the timelines expected by the BCBS for Basel III implementation.

On 10 July 2012, the Council published a press release concerning a meeting of ECOFIN held on 10 July 2012. The press release stated that negotiations between the EU authorities on the CRD IV Directive are almost complete and that talks are now focused on the CRR. “The negotiations with the Parliament are aimed at adoption of the regulation and directive at first reading. Outstanding issues include a proposed flexibility package, bankers’ remuneration, crisis management, sanctions, the balance of power between the authorities of “home” and “host” countries, corporate governance, and powers to be given to the European Banking Authority (EBA).”¹⁶⁴⁷

On 11 July 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09) and comments could be made on the consultation paper until 15 September 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take the final text of the CRR into account. The RTS must be submitted to the European Commission by 1 January 2013.¹⁶⁴⁸

On 17 July 2012, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/10) and comments could be made on the consultation paper by 30 September 2012. The consultation is based on the draft CRR as proposed by the European Commission in July 2011. Although the EBA has taken into account significant changes subsequently proposed during the legislative procedure, the draft RTS may be amended after consultation to take into account the final CRR text. The RTS must be submitted to the Commission by 1 January 2013.¹⁶⁴⁹

On 25 July 2012, the FSA published a statement on its approach to the use of eXtensible Business Reporting Language (XBRL) for quantitative reporting under CRD IV and Solvency II.¹⁶⁵⁰

On 31 July 2012, the European Banking Authority (EBA) has published a press release announcing a timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting.

In the press release, the EBA announces that the finalization of the ITS for supervisory reporting has been pushed back pending the adoption by the EU authorities of the CRR.

¹⁶⁴⁷ Press Release 12204/12, 3181st Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels), 10 July 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/131686.pdf

¹⁶⁴⁸ EBA consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk, European Banking Authority (London) 11 July 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP09/EBA-CP-2012-09-CP-credit-valuation-risk.pdf>

¹⁶⁴⁹ EBA consultation paper on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR), European Banking Authority (London) 17 July 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP10/EBA-CP-2012-10-CP-on-RTS-on-SCRAs-and-GCRAs.pdf>

¹⁶⁵⁰ FSA statement on quantitative reporting under CRD IV (London) 25 July 2012. Date of Access: 6 January 2013. <http://www.fsa.gov.uk/library/communication/statements/2012/xbrl.shtml>

It suggests that the implementation date for the full ITS requirements relating to financial information (FINREP) should be set to 1 January 2014 and that further decisions on phasing in other data requirements may be taken once the CRR itself is finalised.¹⁶⁵¹

On 1 August 2012, the FSA published a statement on its expectations on the implementation of CRD IV. The FSA stated that “it is clear the [CRD IV] legislation will not be adopted earlier than autumn 2012. Following adoption it is necessary for verification, translation and signature of the EU legislation to take place before it can be published in the Official Journal of the European Union. Publication in the Official Journal is a necessary pre-cursor of EU legislation entering into force. On this basis it does not appear feasible that the legislation can enter into force in line with the implementation date of 1 January 2013 as included in the original European Commission proposal of July 2011.” The FSA stated that it will continue to undertake all preparatory work that is possible in the absence of a finalized text, in the expectation that CRD IV, once finalized, will follow the Basel III implementation timetable. It expects firms within the scope of the CRD to take the same approach.¹⁶⁵²

In the August 2012 policy development update (PDU 150), the timing of the consultation paper was changed from the third quarter of 2012 to “TBC.”¹⁶⁵³

In its August 2012 statement, the FSA stated that it was proceeding with necessary preparatory work to be ready to begin data collection under COREP for the period beginning 1 July 2013, provided that the legislation and the relevant European Banking Authority (EBA) implementing technical standards (ITS) are finalized by that date. The FSA will take account of any phase-in plans included in the EBA’s ITS following an announcement made by EBA on 31 July 2012 on the implementation of the ITS.¹⁶⁵⁴

On 2 August 2012, the European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process. The EBF stated that it has learned that the Council of the EU has suspended its work on CRD IV until September 2012 and that the European Parliament has decided to vote on the legislation “at the end of October.” In July 2012 the Parliament suggested that it would consider CRD IV at its 10 to 13 September 2012 plenary session. However, this indicative date has since been removed from the Parliament website and the draft agenda for the 10 to 13 September plenary session no longer referred to CRD IV.¹⁶⁵⁵

The European Banking Industry Committee (EBIC) sent (and published) a letter to the EU institutions, calling for a reasonable period of time between the final text and implementation to

¹⁶⁵¹ EBA Press Release announcing a concerning the timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting (London) 31 July 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-the-finalisation-and-implementation-of-t.aspx>

¹⁶⁵² FSA published a statement on its expectations on the implementation of CRD IV (London) 1 August 2012. Date of Access: 6 January 2013. <http://www.fsa.gov.uk/library/communication/statements/2012/crd-iv.shtml>

¹⁶⁵³ FSA’s newsletter on timing of the consultation paper (London) August 2012. Date of Access: 6 January 2013. <http://www.fsa.gov.uk/static/pubs/newsletters/pdu-newsletter-aug12.pdf>

¹⁶⁵⁴ FSA statement on data collection under COREP (London) August 2012. Date of Access: 6 January 2013. <http://www.fsa.gov.uk/library/communication/statements/2012/crd-iv.shtml>

¹⁶⁵⁵ European Parliament website and the draft agenda (Brussels) 2 August 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/indexPartSession.do?reference=2012-09&language=EN>

allow banks to put in place the necessary procedures to comply with the new rules since the implementation “cannot possibly be achieved within a timeframe of one or two months.”¹⁶⁵⁶

On 7 August 2012, the FSA published an updated version of its webpage on the CRD IV harmonized reporting framework. The webpage has been updated to take account of uncertainty concerning the implementation of CRD IV, following delays in the EU legislative process.¹⁶⁵⁷

On 29 August 2012, the European Banking Authority (EBA) published a press release announcing revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation.

The EBA has published these documents ahead of a workshop on 13 September 2012. The press release emphasises that these versions should not be considered as final products and that the EBA will deliver the final draft templates and DPM to the European Commission for endorsement once the final text of the CRD IV legislation has been agreed.¹⁶⁵⁸

On 31 August 2012, the Joint Committee of the European Supervisory Authorities (ESAs) (that is, EBA, EIOPA and ESMA) published a joint consultation paper (JP/CP/2012/02) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (FICOD). Comments could be made on the consultation paper by 5 October 2012. The draft RTS may be amended after consultation to take into account the final texts of the CRR and the CRD IV Directive. The RTS must be submitted to the Commission by 1 January 2013.¹⁶⁵⁹

The UK implementation of CRD IV will affect the Capital Requirements Regulations 2006 (SI 2006/ 3221), which implemented certain provisions in the CRD. HM Treasury has not indicated when it intends to consult on amendments to the Capital Requirements Regulations, or regulations that will replace the Capital Requirements Regulations.

On 18 September 2012, HM Treasury published a consultation paper on the macro-prudential tools available to the Financial Policy Committee (FPC) to help it to ensure financial stability (introduced by CRD IV) and comments were invited until 11 December 2012.¹⁶⁶⁰

¹⁶⁵⁶ European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process (Brussels) 2 August 2012. Date of Access: 6 January 2013. [http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20\(2\).pdf](http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20(2).pdf)

¹⁶⁵⁷ FSA's webpage on the implementation of CRD IV (London) 7 August 2012. Date of Access: 6 January 2013. <http://www.fsa.gov.uk/about/what/international/crd-iv>

¹⁶⁵⁸ EBA Press Release announcing a revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation (London) 29 August 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/EBA-workshop-on-technical-standards-on-supervisory.aspx>

¹⁶⁵⁹ Joint consultation paper of the European Supervisory Authorities (ESAs) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (London, Frankfurt, Paris) 31 August 2012. Date of Access: 6 January 2013. <http://www.esma.europa.eu/system/files/jc-cp-2012-02-.pdf>

¹⁶⁶⁰ The Government publishes a consultation paper on the macro-prudential tools available to the Financial Policy Committee (FPC) to help it to ensure financial stability, HM Treasury (London) 18 September 2012. Date of Access: 6 January 2013. http://www.hm-treasury.gov.uk/d/condoc_fpc_tools_180912.pdf

On 18 September 2012, the European Banking Authority (EBA) published a list of responses it has received to its July 2012 consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09).¹⁶⁶¹

On 25 September 2012, HMRC updated its June 2012 note on its views on the tax treatment, under current law, of Capital Requirements Directive IV (CRD IV)-compliant regulatory capital instruments.

In a consultation paper published in September 2012 on the macro-prudential toolkit of the statutory Financial Policy Committee (FPC), the government stated that it intended to implement the countercyclical capital buffer introduced by CRD IV through a statutory instrument made under the European Communities Act 1972 (ECA 1972).¹⁶⁶²

On 22 October 2012, the European Banking Authority (EBA) published a report (dated September 2012) on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (CRR).¹⁶⁶³

On 26 October 2012, the government published for comment draft legislation (for the Finance Bill 2013) ensuring the corporation tax deductibility of the coupon on banks' Capital Requirements Directive IV (CRD IV)-compliant tier 2 capital instruments.¹⁶⁶⁴

On 30 October 2012, the FSA published a webpage (dated 26 October 2012) on its approach to implementing transitional provisions in the CRR on own funds requirements, the grandfathering of capital instruments, and the application of regulatory adjustments to own funds. The FSA decided to give advance notice of its approach to implementing these transitional provisions, given the importance of these measures for firms' capital planning.

The FSA has decided not to accelerate the minimum pace of transition set out in the CRR except where applying the minimum transitional provisions would have the effect of weakening standards relative to the standards in force in the UK (that is, in the FSA Handbook) prior to the implementation of CRD IV. The FSA will apply this approach to calculate the binding Pillar 1 capital requirement for all firms subject to the CRD IV capital regime without exception.

The FSA intends to consult on these proposals once the CRD IV legislation has been finalized.¹⁶⁶⁵

¹⁶⁶¹ List of responses published by the European Banking Authority on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (London) 18 September 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/2012/EBA-CP-2012-09/Responses-to-EBA-CP-2012-02.aspx>

¹⁶⁶² The Government states it intends to implement the countercyclical capital buffer introduced by CRD IV, HM Treasury (London) September 2012. Date of Access: 6 January 2013. http://www.hm-treasury.gov.uk/d/condoc_fpc_tools_180912.pdf

¹⁶⁶³ EBA report on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (London) 22 October 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/EBA-SME-Report.pdf>

¹⁶⁶⁴ The Government publishes a comment draft legislation (for the Finance Bill 2013), HM Treasury (London) 26 June 2012. Date of Access: 26 October 2013. <http://www.hmrc.gov.uk/basel3/ct-banks-tier2-reg.pdf>

¹⁶⁶⁵ SA's webpage on its approach to implementing transitional provisions (London) 26 October 2012. Date of Access: 6 January 2013. http://www.fsa.gov.uk/about/what/international/basel/crd/ccr_crd/transitional-provisions

On 9 November 2012, the European Banking Authority (EBA) published its second consultation on draft regulatory technical standards (RTS) on own funds under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/11). This consultation relates to the identification of mutuals, co-operatives and similar institutions. Comments can be made on the consultation paper by 21 December 2012. The July 2011 text of the CRR requires these RTS to be submitted to the Commission by 1 January 2013.

The consultation forms the second part of the EBA's consultation on RTS relating to own funds, the first part of which was published in April 2012. The EBA expects that the legal texts resulting from these consultations on own funds, and subsequent consultations to be published later in 2012, will be merged into a single act.¹⁶⁶⁶

On 13 November 2012, the European Banking Authority (EBA) published a discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (CRR) (EBA/DP/2012/03). Comments can be made on the discussion paper by 13 January 2013. The EBA intends to publish a consultation paper on the draft RTS before submitting them to the Commission. The 11 May 2012 draft of the CRR requires these RTS to be submitted to the Commission by 31 December 2013.¹⁶⁶⁷

On 13 November 2012, the Council of the EU has published a press release concerning a meeting of the Council, in its configuration as the Economic and Financial Affairs Council (ECOFIN), where ECOFIN remains committed to reaching an agreement with the European Parliament before the end of 2012 on the CRD IV legislation. The press release states that ECOFIN's objectives include "maintaining the balance" achieved in its May 2012 general approach on CRD IV.¹⁶⁶⁸

On 21 November 2012, the European Banking Federation (EBF) sent a letter to Michel Barnier, European Commissioner for Internal Market and Services, formally requesting "the postponement of the entry into force of the CRR/CRD IV until 1 January 2014," (which it considers would be a more reasonable timeframe) in the light of the announcement by US regulators that there would be an indefinite delay to their implementation of Basel III.¹⁶⁶⁹

¹⁶⁶⁶ EBA's second consultation on RTS relating to own funds (London) 9 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP11/EBA-BS-2012-211-final-for-publication--Consultation-paper-on-draft-RTS-on-Article-25-2--a--.pdf>

¹⁶⁶⁷ EBA discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (London) 13 November. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Discussion%20Papers/DP%202012%2003/EBA-DP-2012-03--RTS-on-Prudent-Valuation---Final.pdf>

¹⁶⁶⁸ Press Release 16051/12, 3198th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 13 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/133470.pdf

¹⁶⁶⁹ European Banking Federation (EBF) letter to Member of the European Commission concerning entry into force of the CRR/CRD IV (Brussels) 21 November 2012. Date of Access: 6 January 2013. <http://www.ebf-fbe.eu/uploads/0374C-D2140A-2012-EBF%20President%20Draft%20letter%20to%20Barnier%20over%20US%20postpone....pdf>

Similar letters have been addressed to the Presidency of the Council of the European Union and the European Parliament rapporteur.¹⁶⁷⁰

On November 24 2012, European banks have asked the European Commission to postpone the introduction of Basel III by a year to 2014 after U.S. regulators delayed application of the new requirements. Brussels is also worried that Washington's decision to ignore the deadline will put European banks at a disadvantage to U.S. rivals.¹⁶⁷¹

On 24 November 2012, a spokesman for Mr Barnier is quoted as saying that the CRD IV negotiations between the Council and the Parliament will be wrapped up in the coming weeks, and that Mr Barnier will seek clarity from the US and work for a co-ordinated US-EU approach.¹⁶⁷²

On 27 November 2012, the European Banking Authority (EBA) published a letter (dated 21 November 2012), sent to Michel Barnier, European Commissioner for Internal Market and Services, relating to the proposed Capital Requirements Regulation (CRR).¹⁶⁷³

The Parliament is expected to consider CRD IV at its plenary session to be held between 10 and 13 December 2012.

A Council of the EU progress report dated 29 November 2012 stated that the Presidency still aimed to reach political agreement on CRD IV by the end of 2012.¹⁶⁷⁴

A press release issued after the ECOFIN meeting on 4 December 2012 stated that the Council "confirmed its commitment to reach an agreement with the Parliament before the end of the year." "Further political trilogues are scheduled for 11 and 13 December in Strasbourg."¹⁶⁷⁵

The Parliament is expected to consider the SSM proposals during its plenary session to be held between 10 and 13 December 2012.¹⁶⁷⁶

¹⁶⁷⁰ EBA letter to Member of the European Commission (London) 5 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-05--Letter-on-draft-CRR---EBA-Op-2012-03-.pdf>

¹⁶⁷¹ EU To Follow US In Delaying The Implementation Of Basel III, International Business Times (Washington, D.C.) 27 November 2012. Date of Access: 6 January 2013. <http://www.ibtimes.com/eu-follow-us-delaying-implementation-basel-iii-903024>

¹⁶⁷² European banks call for capital rule delay, The Telegraph (London) 24 November 2012. Date of Access: 6 January 2013. <http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9700443/European-banks-call-for-capital-rule-delay.html>

¹⁶⁷³ EBA letter to Member of the European Commission concerning the proposed Capital Requirements Regulation (CRR) (London) 21 November 2012. Date of Access: 6 January 2013. to <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-21--Letter-on-floors---EBA-Op-2012-04-.pdf>

¹⁶⁷⁴ Council of the European Union progress report on CRD IV (Brussels) 29 November 2012. Date of Access: 6 January 2013. <http://register.consilium.europa.eu/pdf/en/12/st16/st16677.en12.pdf>

¹⁶⁷⁵ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/134037.pdf

¹⁶⁷⁶ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/134037.pdf

On 17 December 2012, the European Commission has published a speech given by Michel Barnier, European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (SSM).¹⁶⁷⁷

In the speech, Mr Barnier commented that the ongoing dialogues on CRD IV will result in political agreement “very soon.” He stressed, however, the need for a “co-ordinated approach” with the US on implementing Basel III.¹⁶⁷⁸

On 20 December 2012, the European Banking Authority (EBA) issued a press release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (CRR). The EBA describes the templates and instructions as “preliminary and informal in nature,” given the pending adoption of the final CRR text.

In the press release, the EBA stated that it intended to continue its existing work collecting and analysing information on the liquidity coverage ratio (LCR), which it started at the beginning of 2012. The EBA will continue this exercise on a quarterly basis and will expand its scope to include reporting on the net stable funding and leverage ratio and to increase the number of firms involved.

The EBA intends to launch a consultation on the data point model for leverage and liquidity reporting in the first quarter of 2013.

The EBA will publish a final draft ITS as soon as the CRR text is finalised, together with revised templates and instructions reflecting the final CRR text. The EBA expects that not more than one year will be needed to implement these new reporting provisions and it envisages that the first remittance dates will fall in the first quarter of 2014 for the full ITS requirements on liquidity and leverage.¹⁶⁷⁹

On its webpage on the implementation of CRD IV, the FSA has stated that the proposed CRR will not be transposed through the FSA Handbook, as it will be directly applicable to member states. However, the CRD IV Directive will be transposed through “a mixture of Treasury regulations and FSA Handbook.”¹⁶⁸⁰

¹⁶⁷⁷ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

¹⁶⁷⁸ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

¹⁶⁷⁹ EBA Press Release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (London) 20 December 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-supervisory-reporting-requirements-for-l.aspx>

¹⁶⁸⁰ FSA’s webpage on the implementation of CRD IV (London) 6 January 2013. Date of Access: 6 January 2013. <http://www.fsa.gov.uk/Pages/About/What/International/basel/crd/index.shtml>

The next trilogues on the CRD IV package of reforms between the Council of the EU, the European Parliament and the Commission will be continuing in January, with an indicative plenary sitting date on 12 January 2012.¹⁶⁸¹

On 21 February 2013, the EBA has published a discussion paper on defining liquid assets in the liquidity coverage ratio (LCR) under the draft CRR¹⁶⁸². In a press release that accompanied the discussion paper, the EBA stated that the draft CRR text stipulates that the EU Commission will adopt a delegated act by 30 June 2014 to implement the LCR in EU regulation.¹⁶⁸³

On the same day, the EBA also published a discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR.¹⁶⁸⁴

On 22 February 2013, the FSA published a statement on its expectations on the implementation of CRD IV, in the light of ongoing negotiations between the European Parliament, the European Commission and the Council of Ministers to finalise the text of the CRD IV legislation.¹⁶⁸⁵ This statement follows the statement issued by the FSA on 1 August 2012 and confirms that the FSA continues to take all action it can to prepare for the implementation of CRD IV.

On 27 February 2013, Council of the EU published a press release announcing that the Council has reached provisional political agreement at trialogue with the European Parliament on CRD IV.¹⁶⁸⁶ The provisional agreement needs to be formally endorsed by the Council and by the Parliament before it is final. There will also be significant further technical work to complete the details of the legislation.

The Council press release states that the agreement on CRD IV will be considered by the Council of the EU at its meeting on 5 March 2013 in its configuration as the Economic and Financial Affairs Council (ECOFIN).

On 28 February 2013, the Parliament published a press release on the provisional agreement and stated that member states will be required to transpose the CRD IV Directive by 1 January

¹⁶⁸¹ European Parliament website and the draft agenda (Brussels) 11 January 2013. Date of Access: 11 January 2013.
<http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0203%28COD%29&l=en#keyEvents>

¹⁶⁸² EBA discussion paper on defining liquid assets in the LCR under the draft CRR (London) 21 February 2013. Date of Access: June 26 2013.

<http://www.eba.europa.eu/documents/10180/42030/DP-on-defining-liquid-assets-in-the-LCR.pdf/8d39f0bc-248e-4185-8cda-7f7ff153b644?version=1.0>

¹⁶⁸³ EBA Press Release on the process to define highly liquid assets in the Liquidity Coverage Ratio (LCR) (London) 21 February 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consults-on-the-process-to-define-highly-liquid-assets-in-the-liquidity-coverage-ratio-lcr->

¹⁶⁸⁴ EBA discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR (London) 21 February 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/discussion-paper-on-retail-deposits-subject-to-higher-outflows-for-the-purposes-of-liquidity-reporting-under-the-capital-requirements-regulation-crr->

¹⁶⁸⁵
<http://www.fsa.gov.uk/library/communication/statements/2013/crd-iv-implementation>

¹⁶⁸⁶ Council of the European Union press release on provisional political agreement at trialogue with the European Parliament on CRD IV (Brussels) 27 February 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/135718.pdf

2014.¹⁶⁸⁷ The Parliament press release states that it will vote on CRD IV in its 15 to 18 April plenary session. The Parliament had previously indicated the vote would take place at the 20 to 23 May 2013 session.

On 1 March 2013, the Council published a background note on the provisional agreement, and sets out the five major compromises that was reached between the Council and the Parliament on five key issues.¹⁶⁸⁸

On 5 March 2013, the Council of the EU published a report from the Council Presidency to the Council on political agreement that was reached on CRD IV at a triologue on 27 February 2013 which included a summary of the key issues that were reached.¹⁶⁸⁹ The Presidency invites the Council to endorse the provisional agreement reached on 27 February 2013 and to continue negotiations with the European Parliament to reach agreement at first reading as soon as possible.

On 5 March 2013, the Council of the EU published a press release announcing, in its configuration as the Economic and Financial Affairs Council (ECOFIN), it had “broadly endorsed” the provisional political agreement reached on CRD IV in a triologue on 27 February 2013.¹⁶⁹⁰ On that basis, the Council has mandated the Permanent Committee of Representatives (COREPER) to finalise negotiations with the European Parliament on outstanding technical issues with the aim of reaching a final deal in the second half of March 2013.

On 11 March 2013, the EBA published a consultation on draft regulatory technical standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under the proposed CRR.¹⁶⁹¹ The consultation ran until 11 June 2013.

On 15 March 2013, the European Banking Authority (EBA) published revised draft versions of its templates, instructions, validation rules and data point model (DPM) for implementing technical standards (ITS) on supervisory reporting under CRD IV.¹⁶⁹²

¹⁶⁸⁷ The European Parliament's Economic and Monetary Affairs Committee (ECON) press release on provisional agreement reached (Brussels) 28 February 2013. Date of Access: 26 June 2013. <http://www.europarl.europa.eu/news/en/pressroom/content/20130225IPR06048/html/MEPs-cap-bankers'-bonuses-and-step-up-bank-capital-requirements>

¹⁶⁸⁸ Council of the European Union background note on provisional political agreement which sets out the five majors comprises (Brussels) 1 March 2013. Date of Access: 26 June 2013. http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/135754.pdf

¹⁶⁸⁹ Council of the European Union report on the first reading of the revised capital requirement rules (CRD IV) (Brussels) 2 March 2013. Date of Access: 26 June 2013. <http://register.consilium.europa.eu/pdf/en/13/st06/st06947.en13.pdf>

¹⁶⁹⁰ Council of the European Union press release on endorsing agreement with EP (Brussels) 5 March 2013. Date of Access: 26 June 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/135823.pdf

¹⁶⁹¹ EBA launches consultation on draft technical standards (RTS) aimed at specifying the conditions for assessing the materiality of extensions and changes to internal approaches when calculating own funds requirements for credit, market and operational risk (London) 11 March 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/eba-consults-on-the-conditions-for-assessing-the-materiality-of-extensions-and-changes-of-internal-approaches-for-credit-market-and-operational-risk>

¹⁶⁹² EBA press release on update on the technical standards on supervisory reporting requirements Authority (London) 15 March 2013. Date of Access: 26 June 2013. <http://www.eba.europa.eu/-/update-on-the-technical-standards-on-supervisory-reporting-requirements>

On 18 March 2013, the European Banking Authority (EBA) published two consultations on draft data point models (DPMs) based on its draft implementing technical standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding, and leverage ratio.¹⁶⁹³ Comments were invited by 13 May 2013.

On 19 March 2013, the European Banking Authority (EBA) published a report of the results of its third Basel III monitoring exercise on the European banking system.¹⁶⁹⁴

On 21 March 2013, the European Commission published a press release announcing agreement in trilogue on CRD IV.¹⁶⁹⁵

On 26 March 2013, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on the reporting format for asset encumbrance.¹⁶⁹⁶

On the same day, the European Banking Authority (EBA) also published a consultation paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data.¹⁶⁹⁷ The EBA expects to finalise these additional standards by Q3 2013. Comments on both consultation papers were invited by 24 June 2013.

On 27 March 2013, the Council of the European Union issued a press release announcing that the Permanent Committee of Representatives (COREPER) had approved compromise texts on CRD IV.¹⁶⁹⁸ The Council explains in its press release that if the European Parliament approves the texts as agreed, the Council will also approve them without further discussion. It adds that the new rules will apply from 1 January 2014 if publication takes place in the Official Journal of the European Union (OJ) by 30 June 2013.

¹⁶⁹³ EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding and EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Leverage Ratio (London) 18 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-liquidity-coverage-and-stable-fundin>
<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-leverage-ratio>

¹⁶⁹⁴ EBA report of the Basel III monitoring exercise on the European banking system (London) 19 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/documents/10180/16145/ISG-Basel-III-monitoring-exercise---Public-Report--Final-.pdf>

¹⁶⁹⁵ Statement by Commissioner Michel Barnier following the agreement in trilogue on new European rules to impose stronger prudential requirements on banks (Brussels) 21 March 2013. Date of Access: 26 June 2013.

http://europa.eu/rapid/press-release_MEMO-13-269_en.htm?locale=en

¹⁶⁹⁶ EBA Consultation Paper on Asset Encumbrance Reporting (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-asset-encumbrance-reporting>

¹⁶⁹⁷ EBA Consultation Paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-supervisory-reporting-on-forbearance-and-non-performing-exposures>

¹⁶⁹⁸ Council of the European Union press release on confirming agreement with EP (Brussels) 27 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/136581.pdf

The Council reports that the compromise texts were acceptable to a qualified majority; the United Kingdom did not support them.

On the same day, the proposed CRD IV Directive text¹⁶⁹⁹ and the proposed Capital Requirements Regulation (CRR) text¹⁷⁰⁰, as agreed in political dialogue, were published (dated 26 March 2013).

On 10 April 2013, the Secretariat of the Council of the EU published an addendum to the published text of the Capital Requirements Regulation (CRR) on which political agreement was reached in March 2013.¹⁷⁰¹

On 12 April 2013, the European Parliament published revised versions of the proposed CRD IV Directive¹⁷⁰² and the proposed Capital Requirements Regulation (CRR)¹⁷⁰³ for plenary vote.

On 16 April 2013, the European Parliament announced that it has adopted at first reading compromise texts for CRD IV on which political agreement was reached with the Council of the EU in March 2013.¹⁷⁰⁴ The texts were published on the same day.¹⁷⁰⁵

The Parliament and the Council are co-legislators and need to approve the same final text of the proposals.

On 17 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets.¹⁷⁰⁶

¹⁶⁹⁹ Council of the European Union publishes the proposed CRD IV Directive (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07746.en13.pdf>

¹⁷⁰⁰ Council of the European Union publishes the proposed the proposed Capital Requirements Regulation (CRR) text (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747.en13.pdf>

¹⁷⁰¹ Council of the European Union addendum to the published text of the Capital Requirements Regulation (CRR) (Brussels) 9 April 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747-ad01.en13.pdf>

¹⁷⁰² European Parliament publishes a revised text of the CRD IV Directive (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0170&format=PDF&language=EN&secondRef=002-002>

¹⁷⁰³ European Parliament publishes a revised text of the Capital Requirements Regulation (CRR) (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0171&format=PDF&language=EN&secondRef=002-002>

¹⁷⁰⁴ European Parliament press release on adopting CRD IV on first reading (Brussels) 10 April 2013. Date of Access: 26 June 2013.

http://www.europarl.europa.eu/pdfs/news/expert/infopress/20130416IPR07333/20130416IPR07333_en.pdf

¹⁷⁰⁵ European Parliament publishes the adopted CRD IV Directive and Capital Requirements Regulation (Brussels) 16 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-02+DOC+WORD+V0//EN&language=EN>

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-03+DOC+WORD+V0//EN&language=EN>

On 20 May 2013, the European Banking Authority (EBA) published a consultation on draft implementing technical standards (ITS) on joint decisions on institution-specific prudential requirements of the proposed CRD IV Directive.¹⁷⁰⁷

On 21 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.¹⁷⁰⁸

On the same day, the European Banking Authority (EBA) published two consultations on passport notifications.¹⁷⁰⁹ The consultation runs until 21 August 2013.

On 22 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory and implementing technical standards (RTS and ITS) on securitisation retention rules.¹⁷¹⁰

On 23 May 2013, the European Banking Authority (EBA) published five consultation papers on draft regulatory and implementing technical standards under the proposed CRR.¹⁷¹¹ The consultation runs until 22 August 2013.

On 5 June 2013, the European Banking Authority (EBA) published near-final draft regulatory technical standards (RTS) on own funds under CRD IV.¹⁷¹²

¹⁷⁰⁶ EBA Consultation Paper on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets (London) 17 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-regulatory-technical-standards-on-the-determination-of-the-overall-exposure-to-a-client-or-a-group-of-connected-clients-in>

¹⁷⁰⁷ EBA Consultation Paper on draft Implementing Technical Standards (ITS) on institution-specific prudential requirements (London) 20 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-implementing-technical-standards-its-on-institution-specific-prudential-requirements>

¹⁷⁰⁸ EBA Consultation Paper on draft Technical Standards for the definition of material risk takers for remuneration purposes (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-technical-standards-for-the-definition-of-material-risk-takers-for-remuneration-purposes>

¹⁷⁰⁹ EBA Consultation Paper on draft ITS on Passport Notifications (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-its-on-passport-notifications>

¹⁷¹⁰ EBA Consultation Paper on draft Technical Standards on securitisation retention rules (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-on-draft-technical-standards-on-securitisation-retention-rules>

¹⁷¹¹ EBA Consultation Papers on draft regulatory and implementing technical standards under the proposed CRR (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-guidelines-on-capital-measures-for-foreign-currency-lending>

<http://www.eba.europa.eu/-/consultation-on-draft-its-on-additional-liquidity-monitoring-metri-1>

<http://www.eba.europa.eu/-/consultation-on-draft-rts-on-additional-liquidity-outflows>

<http://www.eba.europa.eu/-/consultation-on-technical-standards-for-own-funds-part-iii>

¹⁷¹² EBA publishes near-final draft regulatory technical standards (London) 5 June 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-publishes-near-final-draft-regulatory-technical-standards-on-own-funds>

On 16 June 2013, the Council of the EU has published revised texts (dated 14 June 2013) of the Capital Requirements Regulation (CRR)¹⁷¹³ and the CRD IV Directive¹⁷¹⁴.

On 18 June 2013, the European Parliament published revised texts (dated 6 June 2013) of the Capital Requirements Regulation (CRR)¹⁷¹⁵ and the CRD IV Directive¹⁷¹⁶.

On 20 June 2013, the Council of the EU published a press release announcing that, in its configuration as the Employment, Social Policy, Health and Consumer Affairs Council, it has adopted without discussion the Capital Requirements Regulation (CRR) and the CRD IV Directive that were proposed and published on 16 June 2013.¹⁷¹⁷ The decision was taken by a qualified majority of delegations, with the United Kingdom voting against. The press release states that the new rules will come into force on 1 January 2014.

On 27 June 2013, the document Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) was published in the Official Journal of the EU (OJ).¹⁷¹⁸ The CRR enters into force on 28 June 2013 and, with the exception of certain provisions specified in Article 521, will apply from 1 January 2014.

On 27 June 2013, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV Directive) was published in the Official Journal of the EU (OJ).¹⁷¹⁹ The Directive enters into force on the twentieth day following its publication in the OJ.

¹⁷¹³ Council of the European Union publishes revised Capital Requirements Regulation (CRR) text (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00014.en13.pdf>

¹⁷¹⁴ Council of the European Union publishes revised CRD IV Directive (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00015.en13.pdf>

¹⁷¹⁵ European Parliament publishes revised Capital Requirements Regulation (CRR) text (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0115&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁷¹⁶ European Parliament publishes revised CRD IV Directive (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0114&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁷¹⁷ Council of the European Union press release on Council adopting new bank capital requirements (Brussels) 20 June 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/137544.pdf

¹⁷¹⁸ Regulation (EU) No 575/2013¹⁷¹⁸ of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0001:0337:EN:PDF>

¹⁷¹⁹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:EN:PDF>

With the exception of certain provisions specified in Article 162, 31 December 2013 is the deadline for member states to transpose the Directive and to apply its provisions.

Later on the same day, the Prudential Regulation Authority (PRA) issued a statement setting out its planned next steps for implementation of the CRD IV package of reforms.¹⁷²⁰ On the same day, the Financial Conduct Authority (FCA) published a similar statement on its website setting out its planned timetable for implementation of the CRD IV package of reforms.¹⁷²¹

The FCA and the PRA will each play a role in the implementation of CRD IV and the supervision of firms in accordance with its requirements: the PRA will be the lead regulator for banks, building societies and certain high-risk investment firms while the FCA will be the sole regulator for the majority of investment firms.

The CRR and the CRD IV Directive, collectively referred to as CRD IV, implement the Basel III reforms in the EU, as well as introducing certain EU-specific reforms including imposing restrictions on bonuses. The CRD IV Directive repeals the Capital Requirements Directive (2006/48/EC and 2006/49/EC) with deadline of transposition no later than 31 December 2013 and with effect from 1 January 2014.

As the European Union's capital regulations have been agreed upon and have been scheduled for implementation, the EU and its member countries have fully complied with their commitment. The United Kingdom has thus been awarded a score of +1.

Analyst: Alexandra Popa

United States: +1

The United States has complied with its commitment to take action to implement the new bank capital and liquidity standards set in the Basel III framework.

The June 2012 interagency proposal to amend the bank regulatory capital framework applies the lessons of the crisis, in part, by increasing the quantity and quality of capital held by banks.

With this proposal, U.S. bank capital requirements would reflect international Basel III agreements reached by the Basel Committee on Banking Supervision as well as relevant domestic legislative provisions, including sections 171 and 939A of the Dodd-Frank Act.

“The Federal Reserve believes that the benefits of the proposed changes, in terms of the reduction of risk to the U.S. financial system and to the broader economy, outweigh the compliance costs to the financial industry and any costs to the macroeconomy.”¹⁷²²

On 7 June 2012, the Board of Governors of the Federal Reserve System (FRB) approved a comprehensive set of three regulatory capital proposals (Proposals). The proposed rulemaking “is

¹⁷²⁰ PRA statement on CRD IV implementation timetable (London) 27 June 2013. Date of Access: 28 June 2013.

<http://www.bankofengland.co.uk/pr/Pages/crdiv/default.aspx>

¹⁷²¹ FCA statement on CRD IV implementation timetable (London) 27 June 2013. Date of Access: 28 June 2013.

<http://www.fca.org.uk/news/firms/fca-statement-on-crd-iv>

¹⁷²² Testimony of Michael S. Gibson, Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System (Washington, D.C.) 14 November 2012. Date of Access: 6 January 2012. <http://www.federalreserve.gov/newsevents/testimony/gibson20121114a.htm>

a further step toward putting in place the integrated and comprehensive regulatory capital framework, known as Basel III, that the Board has been developing for some time in consultation with our domestic and international colleagues. Critically, this framework would require banking organizations to hold more and higher quality capital.”¹⁷²³

On 12 June 2012, the FRB, the Board of Governors of the Federal Reserve System (FDIC) and the Office of the Comptroller of the Currency (OCC) (together, Agencies) jointly published the Proposals, with a public comment period until September 7, 2012. Given the fundamental importance of capital to all activities and investments of a banking organization, the banking industry and their trade groups can expect to be heavily engaged throughout this process. The Proposals largely “implement and seek to harmonize, notably, the regulatory capital standards promulgated by the Basel Committee on Banking Supervision (BCBS) in Basel III: A global regulatory framework for more resilient banks and banking systems (Basel III).”

The Proposals consist of three Regulatory Capital Rules including the Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and transition Provisions.

The U.S. federal banking agencies issued three notices of proposed rulemaking in June that would revise and replace the current regulatory capital rules. The proposals suggested “an effective date of January 1, 2013.”¹⁷²⁴

On 9 November 2012, the US federal banking agencies released a joint press release indefinitely delaying the January 1, 2013 implementation date for their proposed rules that would revise and replace the current regulatory capital rules according to Basel III and certain provisions of Dodd-Frank.

“As members of the Basel Committee on Banking Supervision, the U.S. agencies take seriously our internationally agreed timing commitments regarding the implementation of Basel III and are working as expeditiously as possible to complete the rulemaking process. As with any rule, the agencies will take operational and other considerations into account when determining appropriate implementation dates and associated transition periods.”¹⁷²⁵

More interestingly, they did not provide a substitute effective date for the rules, arguing that they are “working as expeditiously as possible to complete” them.¹⁷²⁶

¹⁷²³ Statement by Chairman Ben S. Bernanke, Board of Governors of the Federal Reserve System (Washington, D.C.) 7 June 2012. Date of Access: 6 January 2012. <http://www.federalreserve.gov/newsevents/press/bcreg/bernanke20120607a.htm>

¹⁷²⁴ Joint Press Release between the FRB, the Board of Governors of the Federal Reserve System (FDIC) and the Office of the Comptroller of the Currency on Regulatory Capital Rules and Finalize Market Risk Rule (Washington, D.C.) 12 June 2012. Date of Access: 6 January 2012. <http://www.federalreserve.gov/newsevents/press/bcreg/20120612a.htm>

¹⁷²⁵ Joint Press Release between the FRB, the Board of Governors of the Federal Reserve System (FDIC) and the Office of the Comptroller of the Currency on Provide Guidance on Regulatory Capital Rulemakings (Washington, D.C.) 9 November 2012. Date of Access: 6 January 2012. <http://www.federalreserve.gov/newsevents/press/bcreg/20121109a.htm>

¹⁷²⁶ EU To Follow US In Delaying The Implementation Of Basel III, International Business Times (Washington, D.C.) 27 November 2012. Date of Access: 6 January 2013. <http://www.ibtimes.com/eu-follow-us-delaying-implementation-basel-iii-903024>

Also, in a Senate hearing on 14 November 2012, agency representatives summarized key banking industry concerns over the proposed rules.¹⁷²⁷

On March 21, 2013, the Board of Governors of the Federal Reserve System announced¹⁷²⁸ that it had begun issuing examination guidance relating to the implementation of the advanced approaches risk-based capital rule under Basel III and issued two Basel Coordination Committee Bulletins.¹⁷²⁹

On July 2, 2013, the Federal Reserve Board (FRB) published a final rule implementing the enhanced capital and related requirements under Basel III, and the Dodd-Frank Act.¹⁷³⁰ The final rule consolidates three separate notices of proposed rulemaking that the OCC, Board, and FDIC published in the Federal Register on August 30, 2012¹⁷³¹, with selected changes. The OCC and the FDIC are expected to approve the final rule in their meetings scheduled for 9 July 2013.

On the same day, Frank Keating, president and CEO of the American Banker's Association (ABA) issued a statement of support of legislation introduced in the US House and Senate that would require a comprehensive economic analysis of the rule's impact before it goes into effect.¹⁷³² "Today's rule is the latest — but not the final — step in an ongoing process to find the optimal capital regime for the U.S. economy. During Basel III's implementation period, the door is open for regulators to make the necessary adjustments to ensure the rule works for banks of all sizes and doesn't impede economic growth."

The United States has now implemented the enhanced capital and related requirements under Basel III and has thus been awarded a score of +1.

Analyst: Alexandra Popa

¹⁷²⁷ Senate hearing on OVERSIGHT OF BASEL III: IMPACT OF PROPOSED CAPITAL RULES (Washington, D.C.) 14 November 2012. Date of Access: 6 January 2013.
http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=9415a6b1-5316-4954-bbb6-c1fd467e34d5

¹⁷²⁸ Board of Governors of the Federal Reserve System letter on Advanced Approaches Risk-Based Capital Rule Examination Guidance on the Board's Public Website (Washington) 21 March 2013 Date of Access: 26 June 2013.
<http://www.federalreserve.gov/bankinforeg/srletters/sr1304.htm>

¹⁷²⁹ Basel Coordination Committee Bulletins on the "exclusion treatment" and on the definition of "traditional securitization" (Washington) 21 March 2013 Date of Access: 26 June 2013.
<http://www.federalreserve.gov/bankinforeg/basel/files/bcc1301.pdf>
<http://www.federalreserve.gov/bankinforeg/basel/files/bcc1302.pdf>

¹⁷³⁰ Federal Reserve Banks adopts final rule on Basel III bank capital (Washington) 2 July 2013. Date of Access: 3 July 2013.
<http://federalreserve.gov/bcreg20130702a.pdf>

¹⁷³¹ Notices of proposed rulemaking that the OCC, Board, and FDIC (Washington) 30 August 2012. Date of Access: 26 June 2013.
<https://www.federalregister.gov/articles/2012/08/30/2012-16761/regulatory-capital-rules-advanced-approaches-risk-based-capital-rule-market-risk-capital-rule>
<https://www.federalregister.gov/articles/2012/08/30/2012-16757/regulatory-capital-rules-regulatory-capital-implementation-of-basel-iii-minimum-regulatory-capital>
<https://www.federalregister.gov/articles/2012/08/30/2012-17010/regulatory-capital-rules-standardized-approach-for-risk-weighted-assets-market-discipline-and>

¹⁷³² ABA Statement on BASEL III Final Rule (Washington) 2 July 2013. Date of Access: 3 July 2013.
<http://www.aba.com/Press/Pages/ABA-Statement-on-BASEL-III-Final-Rule.aspx>

European Union: +1

The European Union has fully complied with its commitment to translate Basel III standards into laws and regulations applicable in its jurisdiction.

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio (EBA/CP/2012/06) and comments could be made on the consultation paper until 27 August 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission.¹⁷³³

On 7 June 2012, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions (EBA/CP/2012/04) and comments could be made on the consultation paper until 31 July 2012. Once the text of the CRR is finalized, the EBA will adapt the draft ITS to reflect the final version of the CRR before submitting them to the European Commission. Although the deadline set in the CRR for EBA to finalize these ITS is 31 December 2013, the EBA intends to submit them “within a shorter timeframe,” as the CRR disclosure requirements will be applicable from 1 January 2013.¹⁷³⁴

On 12 June 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context (EBA/CP/2012/07) and comments could be made on the consultation paper until 12 August 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take into account the final text of the CRR. The EBA’s intention is that these RTS will form part of the general RTS on own funds which it consulted on in April 2012. These RTS must be submitted to the European Commission by 1 January 2013.¹⁷³⁵

On 21 June 2012, the European Parliament’s Economic and Monetary Affairs Committee (ECON) published the reports that it has adopted on the proposed CRD IV Directive (dated 30 May 2012) and the Capital Requirements Regulation (CRR) (dated 12 June 2012). ECON voted to adopt these reports on 14 May 2012. The reports contain draft legislative resolutions for the

¹⁷³³ EBA consultation paper on draft implementing technical standards (ITS) on supervisory reporting requirements for the leverage ratio, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://www.eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP06/CP06-CP-on-ITS-Leverage-Ratio-Reporting.pdf>

¹⁷³⁴ EBA consultation paper on draft implementing technical standards (ITS) on disclosure for own funds by institutions, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP04/EBA-CP-2012-04--CP-on-ITS-disclosure-for-own-funds-.pdf>

¹⁷³⁵ EBA consultation paper on draft regulatory technical standards (RTS) on the concept of gain on sale associated with future margin income in a securitization context, European Banking Authority (London) 7 June 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP07/EBA-CP-2012-07--CP-on-RTS-Gain-on-Sale-on-securitisations-.pdf>

European Parliament with proposed amendments to the CRD IV Directive and the CRR. They will, among other things, implement the main Basel III reforms in the EU.^{1736,1737}

The Parliament was scheduled to consider these resolutions at its plenary session to be held between 2 and 5 July 2012.

In its July 2011 legislative proposals, the Commission stated that the “CRR and the CRD IV Directive were intended to come into force on 1 January 2013, with full implementation of their requirements by 1 January 2019.” Member states were expected to transpose the CRD IV Directive into national law by 31 December 2012 which follows the timelines expected by the BCBS for Basel III implementation.

On 10 July 2012, the Council published a press release concerning a meeting of ECOFIN held on 10 July 2012. The press release stated that negotiations between the EU authorities on the CRD IV Directive are almost complete and that talks are now focused on the CRR. “The negotiations with the Parliament are aimed at adoption of the regulation and directive at first reading. Outstanding issues include a proposed flexibility package, bankers’ remuneration, crisis management, sanctions, the balance of power between the authorities of “home” and “host” countries, corporate governance, and powers to be given to the European Banking Authority (EBA).”¹⁷³⁸

On 11 July 2012, the European Banking Authority (EBA) published a consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09) and comments could be made on the consultation paper until 15 September 2012. As the CRR is still being discussed by the European Parliament and Council, the draft RTS may be amended after consultation to take the final text of the CRR into account. The RTS must be submitted to the European Commission by 1 January 2013.¹⁷³⁹

On 17 July 2012, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/10) and comments could be made on the consultation paper by 30 September 2012. The consultation is based on the draft CRR as proposed by the European Commission in July 2011. Although the

¹⁷³⁶ The European Parliament's Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the proposed CRD IV Directive, European Parliament's Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0170+0+DOC+PDF+V0//EN>

¹⁷³⁷ The European Parliament's Economic and Monetary Affairs Committee (ECON) publishes the reports that it has adopted the Capital Requirements Regulation (CRR), European Parliament's Economic and Monetary Affairs Committee (Bruxelles) 21 June 2012. Date of Access: 6 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0171%2b0%2bDOC%2bPDF%2bV0%2f%2fEN>

¹⁷³⁸ Press Release 12204/12, 3181st Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels), 10 July 2012. Date of Access: 6 January 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/131686.pdf

¹⁷³⁹ EBA consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk, European Banking Authority (London) 11 July 2012. Date of Access: 6 January 2013.

<http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP09/EBA-CP-2012-09-CP-credit-valuation-risk.pdf>

EBA has taken into account significant changes subsequently proposed during the legislative procedure, the draft RTS may be amended after consultation to take into account the final CRR text. The RTS must be submitted to the Commission by 1 January 2013.¹⁷⁴⁰

On 31 July 2012, the European Banking Authority (EBA) has published a press release announcing a concerning the timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting.

In the press release, the EBA announces that the finalization of the ITS for supervisory reporting has been pushed back pending the adoption by the EU authorities of the CRR.

It suggests that the implementation date for the full ITS requirements relating to financial information (FINREP) should be set to 1 January 2014 and that further decisions on phasing in other data requirements may be taken once the CRR itself is finalised.¹⁷⁴¹

On 2 August 2012, the European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process. The EBF stated that it has learned that the Council of the EU has suspended its work on CRD IV until September 2012 and that the European Parliament has decided to vote on the legislation “at the end of October.” In July 2012 the Parliament suggested that it would consider CRD IV at its 10 to 13 September 2012 plenary session. However, this indicative date has since been removed from the Parliament website and the draft agenda for the 10 to 13 September plenary session no longer referred to CRD IV.¹⁷⁴²

The European Banking Industry Committee (EBIC) sent (and published) a letter to the EU institutions, calling for a reasonable period of time between the final text and implementation to allow banks to put in place the necessary procedures to comply with the new rules since the implementation “cannot possibly be achieved within a timeframe of one or two months.”¹⁷⁴³

On 29 August 2012, the European Banking Authority (EBA) published a press release announcing revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation. The EBA has published these documents ahead of a workshop on 13 September 2012. The press release emphasises that these versions should not be considered as final products and that the EBA will

¹⁷⁴⁰ EBA consultation paper on draft regulatory technical standards (RTS) on the calculation of specific and general credit risk adjustments under the proposed Capital Requirements Regulation (CRR), European Banking Authority (London) 17 July 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP10/EBA-CP-2012-10-CP-on-RTS-on-SCRAs-and-GCRAs.pdf>

¹⁷⁴¹ EBA Press Release announcing a concerning the timetable for the implementing technical standards (ITS) required under the proposed Capital Requirements Regulation (CRR) concerning supervisory reporting (London) 31 July 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-the-finalisation-and-implementation-of-t.aspx>

¹⁷⁴² European Parliament website and the draft agenda (Brussels) 2 August 2012. Date of Access: 6 January 2013. <http://www.europarl.europa.eu/sides/indexPartSession.do?reference=2012-09&language=EN>

¹⁷⁴³ European Banking Federation (EBF) published a statement on the delays in the CRD IV legislative process (Brussels) 2 August 2012. Date of Access: 6 January 2013. [http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20\(2\).pdf](http://www.ebf-fbe.eu/uploads/D1462A-2%20august%202012-EBIC%20statement%20(2).pdf)

deliver the final draft templates and DPM to the European Commission for endorsement once the final text of the CRD IV legislation has been agreed.¹⁷⁴⁴

On 31 August 2012, the Joint Committee of the European Supervisory Authorities (ESAs) (that is, EBA, EIOPA and ESMA) published a joint consultation paper (JP/CP/2012/02) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (FICOD). Comments could be made on the consultation paper by 5 October 2012. The draft RTS may be amended after consultation to take into account the final texts of the CRR and the CRD IV Directive. The RTS must be submitted to the Commission by 1 January 2013.¹⁷⁴⁵

On 18 September 2012, the European Banking Authority (EBA) published a list of responses it has received to its July 2012 consultation paper on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (EBA/CP/2012/09).¹⁷⁴⁶

On 22 October 2012, the European Banking Authority (EBA) published a report (dated September 2012) on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (CRR).¹⁷⁴⁷

On 9 November 2012, the European Banking Authority (EBA) published its second consultation on draft regulatory technical standards (RTS) on own funds under the proposed Capital Requirements Regulation (CRR) (EBA/CP/2012/11). This consultation relates to the identification of mutuals, co-operatives and similar institutions. Comments can be made on the consultation paper by 21 December 2012. The July 2011 text of the CRR requires these RTS to be submitted to the Commission by 1 January 2013.

The consultation forms the second part of the EBA's consultation on RTS relating to own funds, the first part of which was published in April 2012. The EBA expects that the legal texts resulting from these consultations on own funds, and subsequent consultations to be published later in 2012, will be merged into a single act.¹⁷⁴⁸

On 13 November 2012, the European Banking Authority (EBA) published a discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital

¹⁷⁴⁴ EBA Press Release announcing a revised draft versions of its templates relating to implementing technical standards (ITS) for CRD IV supervisory reporting and data point model (DPM) documentation (London) 29 August 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/EBA-workshop-on-technical-standards-on-supervisory.aspx>

¹⁷⁴⁵ Joint consultation paper of the European Supervisory Authorities (ESAs) on draft regulatory technical standards (RTS) on the uniform conditions of application of the calculation methods under Article 6(2) of the Financial Conglomerates Directive (2002/87/EC) (London, Frankfurt, Paris) 31 August 2012. Date of Access: 6 January 2013. <http://www.esma.europa.eu/system/files/jc-cp-2012-02-.pdf>

¹⁷⁴⁶ List of responses published by the European Banking Authority on draft regulatory technical standards (RTS) on credit valuation adjustment (CVA) risk (London) 18 September 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/2012/EBA-CP-2012-09/Responses-to-EBA-CP-2012-02.aspx>

¹⁷⁴⁷ EBA report on the impact on small and medium sized enterprises (SMEs) of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (London) 22 October 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/EBA-SME-Report.pdf>

¹⁷⁴⁸ EBA's second consultation on RTS relating to own funds (London) 9 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2012/CP11/EBA-BS-2012-211-final-for-publication--Consultation-paper-on-draft-RTS-on-Article-25-2--a-.pdf>

Requirements Regulation (CRR) (EBA/DP/2012/03). Comments can be made on the discussion paper by 13 January 2013. The EBA intends to publish a consultation paper on the draft RTS before submitting them to the Commission. The 11 May 2012 draft of the CRR requires these RTS to be submitted to the Commission by 31 December 2013.¹⁷⁴⁹

On 13 November 2012, the Council of the EU has published a press release concerning a meeting of the Council, in its configuration as the Economic and Financial Affairs Council (ECOFIN), where ECOFIN remains committed to reaching an agreement with the European Parliament before the end of 2012 on the CRD IV legislation. The press release states that ECOFIN's objectives include "maintaining the balance" achieved in its May 2012 general approach on CRD IV.¹⁷⁵⁰

On 21 November 2012, the European Banking Federation (EBF) sent a letter to Michel Barnier, European Commissioner for Internal Market and Services, formally requesting "the postponement of the entry into force of the CRR/CRD IV until 1 January 2014," (which it considers would be a more reasonable timeframe) in the light of the announcement by US regulators that there would be an indefinite delay to their implementation of Basel III.¹⁷⁵¹ Similar letters have been addressed to the Presidency of the Council of the European Union and the European Parliament rapporteur.¹⁷⁵²

On November 24 2012, European banks have asked the European Commission to postpone the introduction of Basel III by a year to 2014 after U.S. regulators delayed application of the new requirements. Brussels is also worried that Washington's decision to ignore the deadline will put European banks at a disadvantage to U.S. rivals.¹⁷⁵³

On 24 November 2012, a spokesman for Mr Barnier is quoted as saying that the CRD IV negotiations between the Council and the Parliament will be wrapped up in the coming weeks, and that Mr Barnier will seek clarity from the US and work for a co-ordinated US-EU approach.¹⁷⁵⁴

¹⁷⁴⁹ EBA discussion paper on draft regulatory technical standards (RTS) on prudent valuation under the proposed Capital Requirements Regulation (London) 13 November. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Discussion%20Papers/DP%202012%2003/EBA-DP-2012-03--RTS-on-Prudent-Valuation---Final.pdf>

¹⁷⁵⁰ Press Release 16051/12, 3198th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 13 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/133470.pdf

¹⁷⁵¹ European Banking Federation (EBF) letter to Member of the European Commission concerning entry into force of the CRR/CRD IV (Brussels) 21 November 2012. Date of Access: 6 January 2013. <http://www.ebf-fbe.eu/uploads/0374C-D2140A-2012-EBF%20President%20Draft%20letter%20to%20Barnier%20over%20US%20postpone....pdf>

¹⁷⁵² EBA letter to Member of the European Commission (London) 5 November 2012. Date of Access: 6 January 2013. <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-05--Letter-on-draft-CRR---EBA-Op-2012-03-.pdf>

¹⁷⁵³ EU To Follow US In Delaying The Implementation Of Basel III, International Business Times (Washington, D.C.) 27 November 2012. Date of Access: 6 January 2013. <http://www.ibtimes.com/eu-follow-us-delaying-implementation-basel-iii-903024>

¹⁷⁵⁴ European banks call for capital rule delay, The Telegraph (London) 24 November 2012. Date of Access: 6 January 2013. <http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9700443/European-banks-call-for-capital-rule-delay.html>

On 27 November 2012, the European Banking Authority (EBA) published a letter (dated 21 November 2012), sent to Michel Barnier, European Commissioner for Internal Market and Services, relating to the proposed Capital Requirements Regulation (CRR).¹⁷⁵⁵

The Parliament is expected to consider CRD IV at its plenary session to be held between 10 and 13 December 2012.

A Council of the EU progress report dated 29 November 2012 stated that the Presidency still aimed to reach political agreement on CRD IV by the end of 2012.¹⁷⁵⁶

A press release issued after the ECOFIN meeting on 4 December 2012 stated that the Council “confirmed its commitment to reach an agreement with the Parliament before the end of the year.” “Further political trilogues are scheduled for 11 and 13 December in Strasbourg.”¹⁷⁵⁷

The Parliament is expected to consider the SSM proposals during its plenary session to be held between 10 and 13 December 2012.¹⁷⁵⁸

On 17 December 2012, the European Commission has published a speech given by Michel Barnier, European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (SSM).¹⁷⁵⁹

In the speech, Mr Barnier commented that the ongoing trilogues on CRD IV will result in political agreement “very soon.” He stressed, however, the need for a “co-ordinated approach” with the US on implementing Basel III.¹⁷⁶⁰

On 20 December 2012, the European Banking Authority (EBA) issued a press release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (CRR). The EBA describes the templates and instructions as “preliminary and informal in nature,” given the pending adoption of the final CRR text.

In the press release, the EBA stated that it intended to continue its existing work collecting and analysing information on the liquidity coverage ratio (LCR), which it started at the beginning of 2012. The EBA will continue this exercise on a quarterly basis and will expand its scope to

¹⁷⁵⁵ EBA letter to Member of the European Commission concerning the proposed Capital Requirements Regulation (CRR) (London) 21 November 2012. Date of Access: 6 January 2013. to <http://eba.europa.eu/cebs/media/Publications/Other%20Publications/Opinions/2012-11-21--Letter-on-floors---EBA-Op-2012-04-.pdf>

¹⁷⁵⁶ Council of the European Union progress report on CRD IV (Brussels) 29 November 2012. Date of Access: 6 January 2013. <http://register.consilium.europa.eu/pdf/en/12/st16/st16677.en12.pdf>

¹⁷⁵⁷ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/134037.pdf

¹⁷⁵⁸ Press Release 17131/1/12 REV 1, 3205th Council meeting, European Parliament's Economic and Monetary Affairs Committee (ECON) (Brussels) 29 November 2012. Date of Access: 6 January 2013. http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/134037.pdf

¹⁷⁵⁹ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

¹⁷⁶⁰ Speech by the European Commissioner for Internal Market and Services, about the European banking union and the agreement reached on the single supervisory mechanism (Brussels) 17 December 2012. Date of Access: 6 January 2013. http://europa.eu/rapid/press-release_SPEECH-12-963_en.pdf

include reporting on the net stable funding and leverage ratio and to increase the number of firms involved.

The EBA intends to launch a consultation on the data point model for leverage and liquidity reporting in the first quarter of 2013.

The EBA will publish a final draft ITS as soon as the CRR text is finalized, together with revised templates and instructions reflecting the final CRR text. The EBA expects that not more than one year will be needed to implement these new reporting provisions and it envisages that the first remittance dates will fall in the first quarter of 2014 for the full ITS requirements on liquidity and leverage.¹⁷⁶¹

The next dialogues on the CRD IV package of reforms between the Council of the EU, the European Parliament and the Commission will be continuing in January, with an indicative plenary sitting date on 12 January 2012.¹⁷⁶²

The European Parliament, the Council of Ministers, and the European Commission are currently in discussions to agree on the text of a final rule regarding Basel III adoption.¹⁷⁶³ After EU talks stalled on 18 December 2012, Reuters reported that the EU would fail to meet the globally agreed 1 January 2013 deadline for implementing capital requirements and would be instead postponing the talks until members could reach an agreement.¹⁷⁶⁴

The European Banking Authority (EBA) published its second report of the Basel III monitoring exercise on 27 September 2012, which is based on data through 31 December 2011. The Basel III monitoring exercise used a sample of 156 banks to assess aggregate results on capital, risk-weighted assets, leverage, and liquidity ratios in nations within the EU. The report showed “an average increase in Group 1 banks’ CET1 ratio of 0.4 percentage points and a decrease in the corresponding capital shortfall, with respect to the 7 per cent target level, by EUR32.3 billion (i.e. 14 per cent),” in comparison to June 2011 data.¹⁷⁶⁵

Stemming from the EBA’s previous (8 December 2011) recommendation to create capital buffers to restore market confidence, European banks boosted their overall capital positions by more than

¹⁷⁶¹ EBA Press Release providing an update on its work on supervisory reporting requirements required by the proposed Capital Requirements Regulation (London) 20 December 2012. Date of Access: January 6 2012. <http://eba.europa.eu/News--Communications/Year/2012/Update-on-supervisory-reporting-requirements-for-1.aspx>

¹⁷⁶² European Parliament website and the draft agenda (Brussels) 11 January 2013. Date of Access: 11 January 2013. <http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0203%28COD%29&l=en#kEyEvents>

¹⁷⁶³ Progress Report on Basel III Implementation, Basel Committee on Banking Supervision (Basel) October 2012. Date of Access: 5 January 2013. <http://www.bis.org/publ/bcbs232.htm>.

¹⁷⁶⁴ Europe to Miss Basel III Deadline After EU Talks Postponed, Reuters (Brussels), 18 December 2012. Date of Access: 5 January 2013. <http://www.banktech.com/regulation-compliance/europe-to-miss-basel-iii-deadline-after/240144587>.

¹⁷⁶⁵ EBA Publishes Results of the Basel III Monitoring Exercise as of 31 December 2011, European Banking Authority (London) 27 September 2012. Date of Access: 5 January 2013. <http://www.eba.europa.eu/News--Communications/Year/2012/EBA-publishes-results-of-the-Basel-III-monitoring-.aspx>.

EUR200 billion in 2012, according to the EBA's report issued on 3 October 2012.¹⁷⁶⁶ As a result, the EBA's Board of Supervisors underlined the importance of banks maintaining their capital levels on the path to implementing Basel III regulations.¹⁷⁶⁷

In a speech at the Third Pan-Asian Regulatory Summit on 28 November 2012, European Central Bank Board Member Benoît Cœuré, speaking on behalf of the European Central Bank, declared that "The EU...remains committed to promptly implementing Basel III, which I consider as a cornerstone of the G20 Reform Agenda."¹⁷⁶⁸

On 21 February 2013, the EBA has published a discussion paper on defining liquid assets in the liquidity coverage ratio (LCR) under the draft CRR¹⁷⁶⁹. In a press release that accompanied the discussion paper, the EBA stated that the draft CRR text stipulates that the EU Commission will adopt a delegated act by 30 June 2014 to implement the LCR in EU regulation.¹⁷⁷⁰

On the same day, the EBA also published a discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR.¹⁷⁷¹

On 27 February 2013, Council of the EU published a press release announcing that the Council has reached provisional political agreement at triologue with the European Parliament on CRD IV.¹⁷⁷² The provisional agreement needs to be formally endorsed by the Council and by the Parliament before it is final. There will also be significant further technical work to complete the details of the legislation.

The Council press release states that the agreement on CRD IV will be considered by the Council of the EU at its meeting on 5 March 2013 in its configuration as the Economic and Financial Affairs Council (ECOFIN).

¹⁷⁶⁶ EBA Publishes Final Report on the Recapitalisation of European Banks and Paves the Way for the Transition to the CRDIV Framework, European Banking Authority (London), 3 October 2012. Date of Access: 5 January 2013.
<http://www.eba.europa.eu/News--Communications/Year/2012/EBA-publishes-final-report-recapitalisation-banks.aspx>.

¹⁷⁶⁷ Speech by Benoît Cœuré, Member of the Executive Board of the ECB, Third Pan-Asian Regulatory Summit, European Central Bank (Hong Kong), 28 November 2012. Date of Access: 5 January 2013.
<http://www.ecb.int/press/key/date/2012/html/sp121128.en.html>.

¹⁷⁶⁸ Speech by Benoît Cœuré, Member of the Executive Board of the ECB, Third Pan-Asian Regulatory Summit, European Central Bank (Hong Kong), 28 November 2012. Date of Access: 5 January 2013.
<http://www.ecb.int/press/key/date/2012/html/sp121128.en.html>.

¹⁷⁶⁹ EBA discussion paper on defining liquid assets in the LCR under the draft CRR (London) 21 February 2013. Date of Access: June 26 2013.
<http://www.eba.europa.eu/documents/10180/42030/DP-on-defining-liquid-assets-in-the-LCR.pdf/8d39f0bc-248e-4185-8cda-7f7ff153b644?version=1.0>

¹⁷⁷⁰ EBA Press Release on the process to define highly liquid assets in the Liquidity Coverage Ratio (LCR) (London) 21 February 2013. Date of Access: 26 June 2013.
<http://www.eba.europa.eu/-/eba-consults-on-the-process-to-define-highly-liquid-assets-in-the-liquidity-coverage-ratio-lcr->

¹⁷⁷¹ EBA discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR (London) 21 February 2013. Date of Access: 26 June 2013.
<http://www.eba.europa.eu/-/discussion-paper-on-retail-deposits-subject-to-higher-outflows-for-the-purposes-of-liquidity-reporting-under-the-capital-requirements-regulation-crr->

¹⁷⁷² Council of the European Union press release on provisional political agreement at triologue with the European Parliament on CRD IV (Brussels) 27 February 2013. Date of Access: 26 June 2013.
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/135718.pdf

On 28 February 2013, the Parliament published a press release on the provisional agreement and stated that member states will be required to transpose the CRD IV Directive by 1 January 2014.¹⁷⁷³ The Parliament press release states that it will vote on CRD IV in its 15 to 18 April plenary session. The Parliament had previously indicated the vote would take place at the 20 to 23 May 2013 session.

On 1 March 2013, the Council published a background note on the provisional agreement, and sets out the five major compromises that was reached between the Council and the Parliament on five key issues.¹⁷⁷⁴

On 5 March 2013, the Council of the EU published a report from the Council Presidency to the Council on political agreement that was reached on CRD IV at a triilogue on 27 February 2013 which included a summary of the key issues that were reached.¹⁷⁷⁵ The Presidency invites the Council to endorse the provisional agreement reached on 27 February 2013 and to continue negotiations with the European Parliament to reach agreement at first reading as soon as possible.

On 5 March 2013, the Council of the EU published a press release announcing, in its configuration as the Economic and Financial Affairs Council (ECOFIN), it had “broadly endorsed” the provisional political agreement reached on CRD IV in a triilogue on 27 February 2013.¹⁷⁷⁶ On that basis, the Council has mandated the Permanent Committee of Representatives (COREPER) to finalise negotiations with the European Parliament on outstanding technical issues with the aim of reaching a final deal in the second half of March 2013.

On 11 March 2013, the EBA published a consultation on draft regulatory technical standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under the proposed CRR.¹⁷⁷⁷ The consultation ran until 11 June 2013.

¹⁷⁷³ The European Parliament's Economic and Monetary Affairs Committee (ECON) press release on provisional agreement reached (Brussels) 28 February 2013. Date of Access: 26 June 2013.
<http://www.europarl.europa.eu/news/en/pressroom/content/20130225IPR06048/html/MEPs-cap-bankers'-bonuses-and-step-up-bank-capital-requirements>

¹⁷⁷⁴ Council of the European Union background note on provisional political agreement which sets out the five majors comprises (Brussels) 1 March 2013. Date of Access: 26 June 2013.
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressData/en/ecofin/135754.pdf

¹⁷⁷⁵ Council of the European Union report on the first reading of the revised capital requirement rules (CRD IV) (Brussels) 2 March 2013. Date of Access: 26 June 2013.
<http://register.consilium.europa.eu/pdf/en/13/st06/st06947.en13.pdf>

¹⁷⁷⁶ Council of the European Union press release on endorsing agreement with EP (Brussels) 5 March 2013. Date of Access: 26 June 2013.
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/135823.pdf

¹⁷⁷⁷ EBA launches consultation on draft technical standards (RTS) aimed at specifying the conditions for assessing the materiality of extensions and changes to internal approaches when calculating own funds requirements for credit, market and operational risk (London) 11 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consults-on-the-conditions-for-assessing-the-materiality-of-extensions-and-changes-of-internal-approaches-for-credit-market-and-operational-risk>

On 15 March 2013, the European Banking Authority (EBA) published revised draft versions of its templates, instructions, validation rules and data point model (DPM) for implementing technical standards (ITS) on supervisory reporting under CRD IV.¹⁷⁷⁸

On 18 March 2013, the European Banking Authority (EBA) published two consultations on draft data point models (DPMs) based on its draft implementing technical standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding, and leverage ratio.¹⁷⁷⁹ Comments were invited by 13 May 2013.

On 19 March 2013, the European Banking Authority (EBA) published a report of the results of its third Basel III monitoring exercise on the European banking system.¹⁷⁸⁰

On 21 March 2013, the European Commission published a press release announcing agreement in trilogue on CRD IV.¹⁷⁸¹

On 26 March 2013, the European Banking Authority (EBA) published a consultation paper on draft implementing technical standards (ITS) on the reporting format for asset encumbrance.¹⁷⁸²

On the same day, the European Banking Authority (EBA) also published a consultation paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data.¹⁷⁸³ The EBA expects to finalise these additional standards by Q3 2013. Comments on both consultation papers were invited by 24 June 2013.

On 27 March 2013, the Council of the European Union issued a press release announcing that the Permanent Committee of Representatives (COREPER) had approved compromise texts on CRD

¹⁷⁷⁸ EBA press release on update on the technical standards on supervisory reporting requirements Authority (London) 15 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/update-on-the-technical-standards-on-supervisory-reporting-requirements>

¹⁷⁷⁹ EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Liquidity Coverage and Stable Funding and EBA consultation paper on the Data Point Model related to the Technical Standards on Supervisory Reporting Requirements for Leverage Ratio (London) 18 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-liquidity-coverage-and-stable-fundin>

<http://www.eba.europa.eu/-/consultation-on-the-data-point-model-related-to-the-technical-standards-on-supervisory-reporting-requirements-for-leverage-ratio>

¹⁷⁸⁰ EBA report of the Basel III monitoring exercise on the European banking system (London) 19 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/documents/10180/16145/ISG-Basel-III-monitoring-exercise---Public-Report--Final-.pdf>

¹⁷⁸¹ Statement by Commissioner Michel Barnier following the agreement in trilogue on new European rules to impose stronger prudential requirements on banks (Brussels) 21 March 2013. Date of Access: 26 June 2013.

http://europa.eu/rapid/press-release_MEMO-13-269_en.htm?locale=en

¹⁷⁸² EBA Consultation Paper on Asset Encumbrance Reporting (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-asset-encumbrance-reporting>

¹⁷⁸³ EBA Consultation Paper on definitions of forbearance and non-performing exposures, and on associated reporting templates to capture related data (London) 26 March 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-paper-on-supervisory-reporting-on-forbearance-and-non-performing-exposures>

IV.¹⁷⁸⁴ The Council explains in its press release that if the European Parliament approves the texts as agreed, the Council will also approve them without further discussion. It adds that the new rules will apply from 1 January 2014 if publication takes place in the Official Journal of the European Union (OJ) by 30 June 2013.

The Council reports that the compromise texts were acceptable to a qualified majority; the United Kingdom did not support them.

On the same day, the proposed CRD IV Directive text and the proposed Capital Requirements Regulation (CRR) text, as agreed in political dialogue, were published (dated 26 March 2013).^{1785,1786}

On 10 April 2013, the Secretariat of the Council of the EU published an addendum to the published text of the Capital Requirements Regulation (CRR) on which political agreement was reached in March 2013.¹⁷⁸⁷

On 12 April 2013, the European Parliament published revised versions of the proposed CRD IV Directive and the proposed Capital Requirements Regulation (CRR) for plenary vote.^{1788,1789}

On 16 April 2013, the European Parliament announced that it has adopted at first reading compromise texts for CRD IV on which political agreement was reached with the Council of the EU in March 2013.¹⁷⁹⁰ The texts were published on the same day.¹⁷⁹¹

¹⁷⁸⁴ Council of the European Union press release on confirming agreement with EP (Brussels) 27 March 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/136581.pdf

¹⁷⁸⁵ Council of the European Union publishes the proposed CRD IV Directive (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07746.en13.pdf>

¹⁷⁸⁶ Council of the European Union publishes the proposed the proposed Capital Requirements Regulation (CRR) text (Brussels) 26 March 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747.en13.pdf>

¹⁷⁸⁷ Council of the European Union addendum to the published text of the Capital Requirements Regulation (CRR) (Brussels) 9 April 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/st07/st07747-ad01.en13.pdf>

¹⁷⁸⁸ European Parliament publishes a revised text of the CRD IV Directive (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0170&format=PDF&language=EN&secondRef=002-002>

¹⁷⁸⁹ European Parliament publishes a revised text of the Capital Requirements Regulation (CRR) (Brussels) 10 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=AMD&reference=A7-2012-0171&format=PDF&language=EN&secondRef=002-002>

¹⁷⁹⁰ European Parliament press release on adopting CRD IV on first reading (Brussels) 10 April 2013. Date of Access: 26 June 2013.

http://www.europarl.europa.eu/pdfs/news/expert/infopress/20130416IPR07333/20130416IPR07333_en.pdf

¹⁷⁹¹ European Parliament publishes the adopted CRD IV Directive and Capital Requirements Regulation (Brussels) 16 April 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-02+DOC+WORD+V0//EN&language=EN>

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20130416+SIT-03+DOC+WORD+V0//EN&language=EN>

The Parliament and the Council are co-legislators and need to approve the same final text of the proposals.

On 17 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets.¹⁷⁹²

On 20 May 2013, the European Banking Authority (EBA) published a consultation on draft implementing technical standards (ITS) on joint decisions on institution-specific prudential requirements of the proposed CRD IV Directive.¹⁷⁹³

On 21 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory technical standards (RTS) on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.¹⁷⁹⁴

On the same day, the European Banking Authority (EBA) published two consultations on passport notifications.¹⁷⁹⁵ The consultation runs until 21 August 2013.

On 22 May 2013, the European Banking Authority (EBA) published a consultation on draft regulatory and implementing technical standards (RTS and ITS) on securitisation retention rules.¹⁷⁹⁶

On 23 May 2013, the European Banking Authority (EBA) published five consultation papers on draft regulatory and implementing technical standards under the proposed CRR.¹⁷⁹⁷ The consultation runs until 22 August 2013.

¹⁷⁹² EBA Consultation Paper on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets (London) 17 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-regulatory-technical-standards-on-the-determination-of-the-overall-exposure-to-a-client-or-a-group-of-connected-clients-in>

¹⁷⁹³ EBA Consultation Paper on draft Implementing Technical Standards (ITS) on institution-specific prudential requirements (London) 20 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-implementing-technical-standards-its-on-institution-specific-prudential-requirements>

¹⁷⁹⁴ EBA Consultation Paper on draft Technical Standards for the definition of material risk takers for remuneration purposes (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-technical-standards-for-the-definition-of-material-risk-takers-for-remuneration-purposes>

¹⁷⁹⁵ EBA Consultation Paper on draft ITS on Passport Notifications (London) 21 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-paper-on-draft-its-on-passport-notifications>

¹⁷⁹⁶ EBA Consultation Paper on draft Technical Standards on securitisation retention rules (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-consultation-on-draft-technical-standards-on-securitisation-retention-rules>

¹⁷⁹⁷ EBA Consultation Papers on draft regulatory and implementing technical standards under the proposed CRR (London) 22 May 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/consultation-on-draft-guidelines-on-capital-measures-for-foreign-currency-lending>

<http://www.eba.europa.eu/-/consultation-on-draft-its-on-additional-liquidity-monitoring-metri-1>

<http://www.eba.europa.eu/-/consultation-on-draft-rts-on-additional-liquidity-outflows>

<http://www.eba.europa.eu/-/consultation-on-technical-standards-for-own-funds-part-iii>

On 5 June 2013, the European Banking Authority (EBA) published near-final draft regulatory technical standards (RTS) on own funds under CRD IV.¹⁷⁹⁸

On 16 June 2013, the Council of the EU has published revised texts (dated 14 June 2013) of the Capital Requirements Regulation (CRR) and the CRD IV Directive.^{1799,1800}

On 18 June 2013, the European Parliament published revised texts (dated 6 June 2013) of the Capital Requirements Regulation (CRR) and the CRD IV Directive.^{1801,1802}

On 20 June 2013, the Council of the EU published a press release announcing that, in its configuration as the Employment, Social Policy, Health and Consumer Affairs Council, it has adopted without discussion the Capital Requirements Regulation (CRR) and the CRD IV Directive that were proposed and published on 16 June 2013.¹⁸⁰³ The decision was taken by a qualified majority of delegations, with the United Kingdom voting against. The press release states that the new rules will come into force on 1 January 2014.

On 27 June 2013, the document Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) was published in the Official Journal of the EU (OJ).¹⁸⁰⁴ The CRR enters into force on 28 June 2013 and, with the exception of certain provisions specified in Article 521, will apply from 1 January 2014.

On 27 June 2013, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV Directive) was published in the Official Journal of the EU

¹⁷⁹⁸ EBA publishes near-final draft regulatory technical standards (London) 5 June 2013. Date of Access: 26 June 2013.

<http://www.eba.europa.eu/-/eba-publishes-near-final-draft-regulatory-technical-standards-on-own-funds>

¹⁷⁹⁹ Council of the European Union publishes revised Capital Requirements Regulation (CRR) text (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00014.en13.pdf>

¹⁸⁰⁰ Council of the European Union publishes revised CRD IV Directive (Brussels) 14 June 2013. Date of Access: 26 June 2013.

<http://register.consilium.europa.eu/pdf/en/13/pe00/pe00015.en13.pdf>

¹⁸⁰¹ European Parliament publishes revised Capital Requirements Regulation (CRR) text (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0115&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁸⁰² European Parliament publishes revised CRD IV Directive (Brussels) 6 June 2013. Date of Access: 26 June 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=ADDON&reference=P7-TA-2013-0114&format=PDF&language=EN&secondRef=PROV-COR-01-EN>

¹⁸⁰³ Council of the European Union press release on Council adopting new bank capital requirements (Brussels) 20 June 2013. Date of Access: 26 June 2013.

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/137544.pdf

¹⁸⁰⁴ Regulation (EU) No 575/2013¹⁸⁰⁴ of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0001:0337:EN:PDF>

(OJ).¹⁸⁰⁵ The Directive enters into force on the twentieth day following its publication in the OJ. With the exception of certain provisions specified in Article 162, 31 December 2013 is the deadline for member states to transpose the Directive and to apply its provisions.

The CRR and the CRD IV Directive, collectively referred to as CRD IV, implement the Basel III reforms in the EU, as well as introducing certain EU-specific reforms including imposing restrictions on bonuses. The CRD IV Directive repeals the Capital Requirements Directive (2006/48/EC and 2006/49/EC) with deadline of transposition no later than 31 December 2013 and with effect from 1 January 2014.

As the European Union's capital regulations have been agreed upon and have been scheduled for implementation, the EU and its member countries have fully complied with their commitment. The European Union has thus been awarded a score of +1.

Analysts: Katherine DeMallie and Alexandra Popa

¹⁸⁰⁵ [Directive 2013/36/EU](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:EN:PDF) of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Brussels) 26 June 2013. Date of Access: 28 June 2013.
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:EN:PDF>

7. Finance: Over-the-Counter Derivatives

Commitment [#65]

“We reaffirm our commitment that all standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012, OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada		0	
China		0	
France		0	
Germany		0	
India			+1
Indonesia		n/a	
Italy		0	
Japan			+1
Korea		0	
Mexico		0	
Russia			+1
Saudi Arabia			+1
South Africa		0	
Turkey		0	
United Kingdom		0	
United States			+1
European Union		0	
Average Score		+0.37	

Background

At the Los Cabos Summit, G20 leaders reaffirmed their commitment to implement FSB and IOSCO recommendations regarding the regulation of OTC derivative markets. This commitment entails that standardized OTC derivatives contracts should be traded on exchanges and electronic trading platforms, where applicable, and reported to trade repositories. Furthermore, the commitment specifies that non-centrally cleared contracts should be subject to higher capital requirements.¹⁸⁰⁶

The 15 June 2012 Financial Stability Board (FSB) report *OTC Derivatives Market Reforms, Third Progress Report on Implementation* assessed G20 members’ progress towards implementation of OTC derivative recommended reforms. The report noted “encouraging

¹⁸⁰⁶ OTC Derivatives Market Reforms: Third Progress Report on Implementation, Financial Stability Board 15 June 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_120615.pdf

progress had been made in setting international standards, the advancement of national legislation and regulation by a number of jurisdictions and practical implementation of reforms to market infrastructure and activities.”¹⁸⁰⁷ However, a concern remained as the full implementation of market changes need to be completed by end-2012 to meet the G20 commitments. In the June 2012 report, G20 leaders agreed that substantial progress had been achieved in the four safeguards for a resilient and efficient global framework for central clearing and called on jurisdiction to rapidly finalize their decision-making and put in place the legislation and regulation needed to meet the end-2012 commitment to central clearing.¹⁸⁰⁸

The 31 October 2012 FSB report *OTC Derivatives Market Reforms, Fourth Progress Report on Implementation* reported that market infrastructure is in place and should not be an impediment on progress. Furthermore, international policy work on central clearing is essentially completed and should be implemented further on a national level.¹⁸⁰⁹

Commitment Features

In the Los Cabos Summit Declaration, G20 leaders acknowledged that substantial progress had been achieved in the four safeguards; standardization, central clearing, organized platform trading, and reporting to trade repositories. A new commitment feature that was not assessed in previous reports is implementation of higher capital requirements for non-centrally cleared contracts.¹⁸¹⁰ Uncertainty regarding regulation still remains a major impediment on progress whereby regulators need to work together to identify conflicts by end-2012.¹⁸¹¹

The *Fifth Progress Report* is to be distributed after the end-2012 deadline, in that report the FSB will seek to complement this past report and provide an assessment of all aspects related to the implementation of the G20 reforms of OTC derivatives markets. New risks may arise with the changes in market structure and the FSB shall continue to monitor the extent to which reform meets the G20’s underlying goals of making derivatives markets more transparent, of mitigating systemic risk, and of protecting the overall financial system against market abuse.¹⁸¹²

It is important to note that the G20 Research Group does not evaluate the regulations implemented by a country, but determines whether they have acted in compliance with agreements reached at the G20 summit.

¹⁸⁰⁷ OTC Derivatives Market Reforms: Third Progress Report on Implementation, Financial Stability Board 15 June 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_120615.pdf

¹⁸⁰⁸ OTC Derivatives Market Reforms: Third Progress Report on Implementation, Financial Stability Board 15 June 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_120615.pdf

¹⁸⁰⁹ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸¹⁰ G20 Leaders Declaration, Los Cabos, Mexico 19 June 2012. Date of Access 8 December 2012.

<http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

¹⁸¹¹ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸¹² OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

Table 7-1: Recommendations for OTC Derivatives Market

Area	Recommendations
Standardization	Much diversity exists with OTC derivatives thus they can range from being highly standardized to being complex. ¹⁸¹³ “When a high volume product is not standardized, it limits the extent to which existing market infrastructure and transparency can be used effectively.” ¹⁸¹⁴ This can potentially lead to inefficiencies in the price discovery process. ¹⁸¹⁵ Members must continue to take legislative steps to increase the use of standardized products. The standardization of reporting formats is key to aggregation and they require further development. Work must be done with regards to the 2011 roadmap — including development, publication, and use of standardized product documentation.
Central Clearing	Central clearing is the process whereby a single party clears financial transactions. This allows for the risk of default involved with such an exchange to be significantly reduced. The BCBS and IOSCO are responsible for recommending international standards on margin requirements for non-centrally cleared derivatives, and as agreed upon by G20 leaders — central counterparties should clear all standardized derivatives contracts by end-2012.
Exchange or electronic trading platform	By automating the execution process, the trading process electronically reduces commission prices and other human costs, lowering the overall cost-per-trade. Electronic trading will increase transparency, liquidity, and operational efficiency. ¹⁸¹⁶
Reporting to trade repositories	Trade Repositories are electronic platforms that maintain information regarding any transactions of OTC derivatives. The CPSS and IOSCO are responsible for working on further access to data reported by TRs.
Higher capital requirements for non-centrally cleared contracts	Regulators should design and implement rules that subject parties in an OTC Derivatives contract to higher capital requirements if the contract is not centrally cleared.

Table 7-2: Updates for OTC Derivatives Market

Area	Updates
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¹⁸¹³ Reforming OTC Derivative Markets: A UK Perspective, Financial Services Authority and HM Treasury 2 December 2009. Date of Access: 9 December 2012.

http://www.fsa.gov.uk/pubs/other/reform_otc_derivatives.pdf.

¹⁸¹⁴ Reforming OTC Derivative Markets: A UK Perspective, Financial Services Authority and HM Treasury 2 December 2009. Date of Access: 9 December 2012.

http://www.fsa.gov.uk/pubs/other/reform_otc_derivatives.pdf.

¹⁸¹⁵ Reforming OTC Derivative Markets: A UK Perspective, Financial Services Authority and HM Treasury 2 December 2009. Date of Access: 9 December 2012.

http://www.fsa.gov.uk/pubs/other/reform_otc_derivatives.pdf.

¹⁸¹⁶ Deriv|Alert. Date of Access 9 December 2012. <http://www.derivalert.org/faq>

Standardization	The ODSG was responsible for the March 2011 roadmap that submitted Standardization matrices for Q3 and Q4 2011 for all asset classes.
Central Clearing	The majority of FSB members have adopted mandatory clearing requirements and incentives to meet the G20 commitment; the jurisdictions must now rapidly put in place the needed legislation and regulations before end-2012. ¹⁸¹⁷
Exchange or electronic trading platform	The establishment of legislative and regulatory frameworks that require trading on organized trading platforms has not been as advanced as other reform areas. Some of the challenges reported by infrastructure providers have been the development of organized trading platforms that allow a wide range of products to be offered and the need for satisfactory liquidity to support the accurate pricing of new products. ¹⁸¹⁸
Reporting to trade repositories	Authorities need to do more work on the standardization of data formats and the implementation of product classification systems as many trade repositories (TR) have data formats that are not compatible with other TRs. Current estimates suggest that about 90 per cent of OTC interest rate and credit derivatives are being reported to TRs, along with about 50 per cent of foreign exchange derivatives. ¹⁸¹⁹ More works needs to be done with regards to information reported for commodities and equity derivatives transactions.
Higher capital requirements for non-centrally cleared contracts	This commitment feature will be assessed for the first time in the G20 Research Group's 2012 Los Cabos report.

¹⁸¹⁷ Jurisdictions' declared approaches to central clearing of OTC derivatives, Financial Stability Board 5 November 2012. Date of Access: 8 December 2012.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸¹⁸ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸¹⁹ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 8 December 2012.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

Scoring Guidelines

-1	Member takes active steps to comply with applicable FSB recommendations to strengthen regulation and supervision of OTC derivatives markets in a non-discriminatory manner with respect to LESS THAN TWO of the following recommendation areas: Standardization, Central Clearing, Exchange and Platform Trading, Reporting to Trade Repositories, and Higher capital requirements for non-centrally cleared contracts.
0	Member takes active steps to comply with the applicable FSB recommendations to strengthen regulation and supervision of OTC derivatives markets in a nondiscriminatory manner with respect to TWO to FOUR of the following recommendation areas: Standardization, Central Clearing, Exchange and Platform Trading, and Reporting to Trade Repositories, and Higher capital requirements for non-centrally cleared contracts.
+1	Member takes active steps to comply with applicable FSB recommendations to strengthen regulation and supervision of OTC derivatives markets in a nondiscriminatory manner with respect to ALL FIVE of the following recommendation areas: Standardization, Central Clearing, Exchange and Platform Trading, and Reporting to Trade Repositories, and Higher capital requirements for non-centrally cleared contracts.

Lead Analyst: Germán Cairo

Argentina: +1

Argentina has fully complied with its commitments to strengthen regulation of OTC derivatives markets with the following areas: (1) increasing standardization; (2) central clearing; (3) exchange/ electronic platform trading; (4) reporting to trade repositories; (5) higher capital requirement for non-centrally cleared contracts.

Argentina remains on its path of compliance by taking legislative steps that increase the use of standardized products and has reported that a substantial portion of OTC derivative trading is currently being centrally cleared and traded on the “Mercado Abierto Electronico S.A.” electronic platforms.¹⁸²⁰ Argentina has declared an approach to central clearing and anticipates the use of domestic central counterparties (CCP) supervised by their central bank.¹⁸²¹

On 9 November 2012, the central bank of Argentina reported that they would be establishing higher capital requirements for non-centrally cleared contracts due to their risk.¹⁸²² Argentina also continues to report trading activity to an Argentine market regulator that essentially acts as a trade repository.¹⁸²³

In its 15 April 2013 OTC Derivatives Market Reforms Fifth Report on Implementation, the Financial Stability Board notes that “Argentina issued regulations in 2007 to provide incentives

¹⁸²⁰ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸²¹ Jurisdictions’ declared approaches to central clearing of OTC derivatives: Secretariat information note 5 November 2012. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸²² Comunicacion “A” 5369, Banco Central de la Republica Argentina 9 November 2012. Date of Access 2 January 2013. <http://www.bcra.gov.ar/pdfs/comytexord/A5369.pdf>

¹⁸²³ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

for trading derivatives on organized platforms that offer central clearing. Argentina reports that a significant portion of derivatives trading is currently centrally cleared and traded on organized platforms as a result of existing regulation. Argentina reports that it will continue to consider whether additional legislation is needed.”¹⁸²⁴ The report further notes that Argentina has regulations “in force and operative” regarding Higher Capital Requirements for non-centrally cleared derivatives. Furthermore, the Argentinian derivatives market is “dominated by standardized derivatives.”¹⁸²⁵

Argentina has taken steps toward compliance with all of the FSB recommendation areas for OTC derivatives market reforms and has therefore earned a score of +1.

Analyst: German Cairo

Australia: +1

Australia has fully complied with its commitments to strengthen regulation of OTC derivatives markets with the following areas: (1) increasing standardization; (2) central clearing; (3) exchange/ electronic platform trading; (4) reporting to trade repositories; (5) higher capital requirement for non-centrally cleared contracts.

The 11 October 2011 FSB report noted that “main OTC derivatives instruments traded in Australian markets are interest rate and FX products, which are already fairly standardized.”¹⁸²⁶

On 12 September 2012, the Australian Government introduced the Corporations Legislation Amendment (Derivative Transactions) Bill 2012 in response to the G20 discussions on derivatives transactions. The Derivative Bill establishes a legislative framework which allows the government to require that certain prescribed classes of derivatives be subject to one or more mandatory obligations relating to trade reporting, central clearing, and trade execution. In addition, the bill introduces a new licensing regime for derivatives trade repositories (i.e. the entities that will be licensed to provide trade reporting facilities).¹⁸²⁷

In October 2012, the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, and the Reserve Bank of Australia together published a report on the Australian OTC Derivatives Market and it discusses the desirability of reforms to the functioning of the Australian over-the-counter (OTC) derivatives markets. In the paper, the regulators give some recommendations regarding (1) trade reporting: “the regulators recommend the government consider a broad-based mandatory trade reporting should the Derivative Transactions Bill be passed.” (2) Risk management for non-centrally cleared trades: “Participants should ensure that

¹⁸²⁴ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸²⁵ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸²⁶ OTC Derivatives Market Reforms: Progress on Implementation, Financial Stability Board (Basel) 11 October 2011. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_111011b.pdf

¹⁸²⁷ Corporations Legislation Amendment (Derivative Transactions) Bill 2012, The Parliament of the Commonwealth of Australia 2012.

http://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r4879_third-reps/toc_pdf/12149b01.pdf;fileType=application%2Fpdf

adequate credit support arrangements are in place for all OTC derivatives transactions.” “Market participants should understand the increased counterparty exposure generated by posting collateral over and above mark-to-market (variation margin) requirements, and ensure that the resultant risks are adequately managed.” (3) Trade execution: “The regulators see in-principle benefits in a greater utilization of trading platforms in the Australian OTC derivatives market.” (4) Central clearing: “The regulators are of the view that central clearing of the Australian dollar-denominated interest rate derivatives market would bring substantial benefits to the efficiency, integrity and stability of the Australian financial system. This benefit would be most immediately realized if larger market participants, such as the large Australian-based banks, were to participate in central clearing.”¹⁸²⁸ Another key area of progress has been the further development of standardization when recording transaction details for OTC derivatives.¹⁸²⁹

In its 15 April 2013 OTC Derivatives Market Reforms Fifth Report on Implementation, the Financial Stability Board notes that Australia has adopted legislation on Central Clearing, Trading on Electronic Platforms or Exchange, Reporting to Trade Repositories, requiring Higher Capital Requirements for non-centrally-cleared OTC derivatives.¹⁸³⁰

Australia has fully complied with all five FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of +1.

Analyst: Chen Qu

Brazil: +1

Brazil has fully complied with its commitment to strengthen regulation of OTC Derivative Markets and has therefore earned a score of +1.

The 31 October 2012 FSB Progress Report on OTC Derivatives Market Reforms notes that Brazil has adopted legislation on Capital and Reporting to Trade Repositories reforms. The implementation of Higher Capital requirements has not yet been achieved.¹⁸³¹

The 31 October 2012 FSB Progress Report on OTC Derivatives Market Reforms notes, “Two TRs established in Brazil, where derivatives activity has been regulated since 1994 reported that all relevant institutions are ready to meet trade reporting obligations.”¹⁸³²

¹⁸²⁸ Report on the Australian OTC Derivatives Market, Australian Prudential Regulation Authority, Australian Securities and Investments Commission, and Reserve Bank of Australia October 2012 <http://www.rba.gov.au/payments-system/clearing-settlement/otc-derivatives/201210-otc-der-mkt-rep-au/pdf/201210-otc-der-mkt-rep-au.pdf>

¹⁸²⁹ Report on the Australian OTC Derivatives Market, Australian Prudential Regulation Authority, Australian Securities and Investments Commission, and Reserve Bank of Australia October 2012 <http://www.rba.gov.au/payments-system/clearing-settlement/otc-derivatives/201210-otc-der-mkt-rep-au/pdf/201210-otc-der-mkt-rep-au.pdf>

¹⁸³⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access 2 January 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸³¹ OTC Derivatives Market Reforms Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access: 13 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸³² OTC Derivatives Market Reforms Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access: 13 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

The 31 October 2012 FSB Progress Report on OTC Derivatives Market Reforms notes that Brazil “consider access to CCPs in their jurisdiction to be fair and open.”¹⁸³³

The government of Brazil’s response to the FSB survey of August 2012 on Declared Approaches to Central Clearing of OTC Derivatives was that “Regulations [are] already in place. No time frame given for additional amendments.”¹⁸³⁴

On 4 December 2012, The Securities and Exchange Commission’s Office of International Affairs reached an understanding with leaders on OTC Derivatives regulation. In a joint statement “the OTC derivatives market is a global market and [we] firmly support the adoption and enforcement of robust and consistent standards in and across jurisdictions.”¹⁸³⁵

In its 15 April 2013 OTC Derivatives Market Reforms Fifth Report on Implementation, the Financial Stability Board notes that Brazil has adopted and implemented legislation on Central Clearing through BM&F Bovespa or CETIP, two electronic central clearing platforms.¹⁸³⁶ The report further mentions that “In Brazil, banks incur a capital surcharge when entering into a non-centrally cleared OTC derivative transaction” and that “The Brazilian Law n°12,543 requires transactions (exchange-traded or OTC) to be reported to a TR.” Furthermore, the Brazilian derivatives market is “dominated by standardized derivatives.”¹⁸³⁷

Brazil has taken some steps toward compliance with all five FSB recommendation areas on OTC derivatives market reform and has therefore been awarded a score of +1.

Analyst: Igor Samardzic

Canada: 0

Canada has failed to comply with its commitment that all standardized OTC derivative contracts be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012. Furthermore, regulation on additional capital requirements for non-centrally cleared products has been delayed.

¹⁸³³ OTC Derivatives Market Reforms Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access: 9 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸³⁴ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board-Secretariat 5 November 2012. Date of Access: 10 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸³⁵ Joint Press Statement of Leaders on Operating Principles and Areas of Exploration in the Regulation of the Cross-Border OTC Derivatives Market, Securities and Exchange Commission Office of International Affairs 4 December 2012. Date of Access: 14 January 2013. <http://www.sec.gov/news/press/2012/2012-251.htm>

¹⁸³⁶ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸³⁷ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access 2 January 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

Regarding the commitment for central clearing of standardized OTC derivatives, Canada committed to completing its implementation within the framework of Basel III reforms by 1 January 2013.¹⁸³⁸ However, the implementation is still undergoing.

On 13 October 2012, Mark Carney, Chairman of the Financial Stability Board to the International Monetary and Financial Committee, issued a statement, saying “...members expressed concern about unresolved issues in the cross-border application of regulation.”¹⁸³⁹

On 31 October 2012, the FSB published its Fourth Progress Report on Implementation, stating “Industry, with the support of regulators, should accelerate their work on issues relating to the standardization of both products and processes.”¹⁸⁴⁰

In the last quarter of 2012, several documents were released, indicating progress in the area of standardization and clearing of OTC derivatives.^{1841,1842,1843}

On 18 April 2013, the Canadian Securities Administrators released CSA Consultation Paper 91-407 — Derivatives: Registration.¹⁸⁴⁴ According to Bill Rice, Chair of the CSA, “...CSA has developed key recommendations on the regulation of key participants in Canada’s derivatives markets that will allow Canada to comply with international standards.”¹⁸⁴⁵ Certain industry groups disagree, arguing that such stringent regulation does not exist in other jurisdictions and so it may lead to the Canadian derivatives market becoming too burdensome for investors.¹⁸⁴⁶

¹⁸³⁸ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸³⁹ Statement of Mark Carney Chairman of the Financial Stability Board to the International Monetary and Financial Committee (Tokyo) 13 October 2012. Date of Access: 8 January 2013.

<http://www.imf.org/External/AM/2012/imfc/statement/eng/fsb.pdf>

¹⁸⁴⁰ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁸⁴¹ Statement by the Canadian authorities on clearing of standardized OTC derivatives contracts, Autorité des marchés financiers (Toronto) 1 October 2012. Date of Access: 8 January 2013.

http://www.lautorite.qc.ca/en/press-releases-2012-pro.html_2012_csa-2012-10-01.html

¹⁸⁴² Canadian Securities Regulators Seek Comment on Model Rules Relating to Derivatives: Product Determination and Derivatives Trade Repositories and Data Reporting, Autorité des marchés financiers (Toronto) 6 December 2012. Date of Access: 8 January 2013.

http://www.lautorite.qc.ca/en/press-releases-2012-pro.html_2012_csa-model-rules-derivatives-repositories-data-reporting.html

¹⁸⁴³ The Canadian Approach to Central Clearing for Over-the-Counter Derivatives, Bank of Canada (Ottawa) December 2012. Date of Access: 8 January 2013.

<http://www.bankofcanada.ca/wp-content/uploads/2012/12/fsr-1212-chande.pdf>

¹⁸⁴⁴ Canadian Securities Administrators Consultation Paper 91-407 Derivatives: Registration, Ontario Securities Commission (Toronto) 18 April 2013. Date of Access: 24 June 2013.

http://www.osc.gov.on.ca/documents/en/Securities-Category9/csa_20130418_91-407_derivatives-registration.pdf

¹⁸⁴⁵ CSA seeks comment on proposals for derivatives market registration and regulation, Autorité des marchés financiers (Toronto) 18 April 2013. Date of Access: 24 June 2013.

http://www.lautorite.qc.ca/en/press-releases-2013-pro.html_2013_csa-91-407.html

¹⁸⁴⁶ Re: Canadian Securities Administrators (CSA) Consultation Paper 91-407 on Derivatives: Registration (the Registration Consultation Paper), International Swaps and Derivatives Association, Inc. (New York) 17 June 2013. Date of Access: 24 June 2013. <http://assets.isda.org/media/94e6409a/2192dbe9.pdf/>

On 6 June 2013, The Ontario Securities Commission published for comment OSC Rule 91-506 Derivatives: Product Determination and OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, which aim to implement Canada's G-20 commitment to require all OTC derivative transactions to be reported to trade repositories and to provide the OSC with an essential tool to identify and address systemic risk and market abuse.^{1847, 1848} Canada's commitment with regard to trade repositories is scheduled to be fulfilled by Q2 2014 in Ontario, Quebec, and Manitoba.¹⁸⁴⁹ Authorities have indicated they are waiting for comprehensive trade repository information before requiring any specific products to be traded on organised trading platforms.¹⁸⁵⁰

On 28 June 2013, BCBS and IOSCO published a consultative paper on Capital treatment of bank exposures to central counterparties. Changes to the interim standard, which was initially published in July 2012, will not be made before late 2013. Regulation in this area is, therefore, still a work in progress.¹⁸⁵¹

The 15 April 2013 FSB Progress report on OTC Derivatives Market Reforms notes that "additional capital requirements for the risk of credit valuation adjustments (CVA) to derivatives" is delayed until January 2014.¹⁸⁵² As of the time of writing of this report, Ontario, Quebec and Manitoba have adopted legislative frameworks for central clearing, but will not implement mandatory clearing requirements until Q4 2014 at the earliest.¹⁸⁵³

Canada has taken steps towards compliance with its commitment to strengthen regulation of OTC derivatives by: (1) increasing standardization; (2) establishing central counterparties for central clearing of OTC derivatives contracts; (3) establishing exchange or electronic platform trading; (4) establishing trade repositories for OTC derivatives transactions; (5) Higher capital

¹⁸⁴⁷ Ontario Securities Commission Seeks Comment on Derivatives: Product Determination and Derivatives Trade Repositories and Data Reporting Rules, Ontario Securities Commission (Toronto) 6 June 2013. Date of Access: 25 June 2013. http://www.osc.gov.on.ca/en/NewsEvents_nr_20130606_osc-rfc-derivatives.htm

¹⁸⁴⁸ Notice and Request for Comment, Ontario Securities Commission (Toronto) 6 June 2013. Date of Access: 25 June 2013. http://www.osc.gov.on.ca/documents/en/Securities-Category9/rule_20130606_91-506_91-507_rfc-derivatives.pdf

¹⁸⁴⁹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁵⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 28 June 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁵¹ Capital treatment of bank exposures to central counterparties - consultative document, Bank for International Settlements (Basel) 28 June 2013. Date of Access: 30 June 2013. <http://www.bis.org/publ/bcbs253.htm>

¹⁸⁵² OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 28 June 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁵³ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 28 June 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

requirements for non-centrally cleared contracts. However, Canada has not met the end-2012 deadline^{1854,1855} and has therefore earned a score of 0.

Analyst: Theodora Mladenova

China: 0

China has taken active steps to comply with the applicable FSB recommendations to strengthen regulation and supervision of OTC derivatives markets in a nondiscriminatory manner with respect to three recommendation areas: standardization, central clearing, and exchange and platform trading.

On 28 June 2012 Zhen Xu, Chairman of the Shanghai Clearing House, stated that “Since 2012, the centralized registration service of the interest rate swap transactions as well as exchange rates, commodity, credit, equity and other OTC derivatives transactions has turned to DTCC in order to better resolve the unified information collection problem for many of the world’s central counterparty clearing organizations.” In addition, he stated “The Hong Kong Exchanges and Clearing Limited (HKEX) will develop a new centralized clearing organization for the OTC offshore RMB derivatives at the end of 2012.” He also mentioned the needs of increasing standardization and developing an electronic trading platform for OTC derivatives markets.¹⁸⁵⁶

China has taken steps toward compliance with three of the five FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of 0.

Analyst: Chen Qu

France: 0

France has partially complied with its commitment to strengthen regulation of OTC derivatives by: (1) increasing standardization; (2) establishing central counterparties for central clearing of OTC derivatives contracts; (4) establishing trade repositories for OTC derivatives transactions.

On 4 July 2012, European Market Infrastructure Regulation (EMIR) was implemented.¹⁸⁵⁷ The regulation states that “information on all European derivative transactions will be reported to trade repositories and be accessible to supervisory authorities,” which complies with the G20 commitments on OTC derivatives.¹⁸⁵⁸

¹⁸⁵⁴ Canadian Securities Administrators Consultation Paper 91-403 Derivatives: Surveillance and Enforcement, Ontario Securities Commission (Toronto) 25 November 2011. Date of Access: 8 January 2012.

http://www.osc.gov.on.ca/en/SecuritiesLaw_csa_20111125_91-403_cp-derivatives.htm

¹⁸⁵⁵ 2012 ASC Annual Report, Ontario Securities Commission (Ottawa) Date of Access: 8 January 2013.

http://www.osc.gov.on.ca/static/_/AnnualReports/2012/pdf/08-OSC-AR2012-EN.pdf

¹⁸⁵⁶ Improve the Centralized Clearing System of OTC Derivatives Markets, International Finance News 20 July 2012

<http://finance.sina.com.cn/roll/20120720/005912618212.shtml>

¹⁸⁵⁷ Derivatives, European Commission (Brussels), 19 December 2012. Date of Access: 5 January 2013.

http://ec.europa.eu/internal_market/financial-markets/derivatives/index_en.htm

¹⁸⁵⁸ Derivatives, European Commission (Brussels), 19 December 2012. Date of Access: 5 January 2013.

http://ec.europa.eu/internal_market/financial-markets/derivatives/index_en.htm

On 7 August 2012, the Financial Market Authority (AMF) in France showed its attention to the adoption of the EMIR, because this regulation directly applies to French financial market.¹⁸⁵⁹ AMF also represents its willingness to adopt these reforms, which are “a key component in enhancing stability and financial security.”¹⁸⁶⁰

On 15 February 2013, BCBS and IOSCO published their near-final proposal on Margin requirements for non-centrally cleared derivatives. As of the time of the writing of this report, the EU has not implemented any special regulation to comply with the G20 commitment of higher capital requirements for non-centrally cleared contracts. The aforementioned paper, released by BCBS and IOSCO, proposes that initial margin requirements be phased-in over four years, beginning 2015.¹⁸⁶¹

On 23 February 2013, key regulatory technical standards (RTS), which were first adopted on 19 December 2012 as part of EMIR, were published. They came into effect on 15 March 2013.^{1862,1863}

According to the standards published by the European Parliament on 23 February 2013, all OTC derivatives should be reported to TRs by the beginning of 2014.¹⁸⁶⁴ Furthermore, on 11 April 2013, the Committee on Payment and Settlement Systems (CPSS) and IOSCO published a consultative report on authorities’ access to trade repositories data. The purpose of the report is to provide guidance to the EU and the rest of the G20 members on the principles that should guide authorities’ access to data held in TRs.¹⁸⁶⁵

In the EU, legislation introducing a mandatory trading framework is in the final stages of negotiation.¹⁸⁶⁶

Legislation and detailed technical rules providing for central clearing are now in force in the EU, although no products are currently required to be cleared. The first phase of the EU central clearing regime is for CCPs to be re-authorised or recognised under EMIR, and this process is

¹⁸⁵⁹ The AMF draws attention to publication of the European “EMIR” Regulation (Paris) 7 August 2012.

Date of Access: 5 January 2013. http://www.amf-france.org/documents/general/10550_1.pdf

¹⁸⁶⁰ The AMF draws attention to publication of the European “EMIR” Regulation (Paris) 7 August 2012.

Date of Access: 5 January 2013. http://www.amf-france.org/documents/general/10550_1.pdf

¹⁸⁶¹ Margin requirements for non-centrally cleared derivatives - Second consultative document, Basel Committee on Banking Supervision and the Board of IOSCO (Basel) 15 February 2013. Date of Access: 27 June 2013.

<http://www.bis.org/publ/bcbs242.pdf>

¹⁸⁶² Commission Delegated Regulation (EU) No 148/2013, Official Journal of the European Parliament (Brussels) 23 February 2013. Date of Access: 30 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:FULL:EN:PDF>

¹⁸⁶³ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁶⁴ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁶⁵ Authorities' access to trade repository data - consultative report, CPSS and IOSCO (Basel/Madrid) 11 April 2013. Date of Access: 27 June 2013. <http://www.bis.org/publ/cpss108.htm>

¹⁸⁶⁶ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

underway as of March 2013. Once a CCP has been re-authorised or recognised in respect of the products it clears, ESMA will assess whether the relevant OTC derivatives products should be subject to a mandatory clearing obligation, with the possibility of phase-in according to the categories of counterparties. It is anticipated that the first mandatory clearing obligations will be determined by the end of 2013, and will come into force in early 2014.^{1867,1868}

In its 23 February 2013 publication in the OJ, the EU Parliament indicated that the European Commission has asked the European Securities and Markets Authority (ESMA) for advice on equivalence for non-EU CCPs, TRs as well as on equivalence for the purpose of exemption from clearing, reporting, and risk mitigation obligations. ESMA is scheduled to provide advice for all non-EU jurisdictions by 15 July 2013.¹⁸⁶⁹

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that even though the European Union is “among the most advanced in implementing legislative and regulatory reform, with several key regulatory measures in force,” it has yet to pass required reforms Electronic Platform Trading and on Higher Capital Requirements for non-centrally-cleared OTC Derivatives products.¹⁸⁷⁰

On 28 June 2013, BCBS and IOSCO published a consultative paper on Capital treatment of bank exposures to central counterparties. Changes to the interim standard, which was initially published in July 2012, will not be made before late 2013. Regulation in this area is, therefore, still a work in progress.¹⁸⁷¹

France (via the EU) has taken steps toward compliance with three of the five FSB recommendation areas for OTC derivatives reform and has therefore earned a score of 0.

Analyst: HyunAh (Heidi) Shim

Germany: 0

Germany has partially complied with its commitments to strengthen regulation of OTC derivatives markets with the following areas: (1) increasing standardization; (2) central clearing; (4) reporting to trade repositories.

On 4 July 2012, European Market Infrastructure Regulation (EMIR) adopted the Regulation on OTC Derivatives, Central Counterparties and Trade Repositories. The Regulation became effective on 16 August 2012. The Regulation ensures that information on all European derivative

¹⁸⁶⁷ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁶⁸ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁶⁹ ¹⁸⁶⁹ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁷⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁷¹ Capital treatment of bank exposures to central counterparties - consultative document, Bank for International Settlements (Basel) 28 June 2013. Date of Access: 30 June 2013.

<http://www.bis.org/publ/bcbs253.htm>

transactions will be reported to trade repositories and be accessible to supervisory authorities, in order to give policy makers and supervisors a clear overview of the current markets situation. The Regulation also requires standard derivative contracts to be cleared through Central Counterparties (CCPs), it sets margin requirements for non-centrally cleared trades, and establishes stringent organizational business conduct and prudential requirements for the CCPs.¹⁸⁷²

On 19 December 2012, the European Commission adopted regulatory standards and implemented technical standards to complement the obligations defined under the Regulation on OTC derivatives, Central Counterparties and Trade Repositories. The regulatory technical standards specify the clearing obligation procedure, requirements for CCPs, risk mitigation techniques for OTC derivatives contracts not cleared by a CCP, minimum details of the data to be reported to trade repositories etc. In other words, “adoption of these technical standards finalizes requirements for the mandatory clearing and reporting of transactions.”¹⁸⁷³

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that even though the European Union is “among the most advanced in implementing legislative and regulatory reform, with several key regulatory measures in force,” it has yet to pass required reforms Electronic Platform Trading and on Higher Capital Requirements for non-centrally-cleared OTC Derivatives products.¹⁸⁷⁴

Germany has taken steps toward compliance with three of the five FSB recommendation areas for OTC derivatives reform and has therefore earned a score of 0.

Analyst: Qing Zeng

India: +1

India has fully complied with its commitment to strengthen regulation of OTC Derivative Markets and has therefore earned a score of +1.

The 31 October 2012 FSB Progress Report on OTC Derivatives Market Reforms notes that India, has adopted legislation on: Central Clearing, Exchange/Platform trading, Reporting to TRs, Capital, and Standardization. Implementation of the reforms has been adopted for Central Clearing, Exchange/Platform trading, Reporting to TRs, and Capital. Standardization has been partially adopted.¹⁸⁷⁵

¹⁸⁷² Derivatives Legislative Proposals, European Commission (Brussels), 19 December 2012. Date of Access 3 January 2013. http://ec.europa.eu/internal_market/financial-markets/derivatives/index_en.htm

¹⁸⁷³ EUROPA- Commission adopts technical standards for the Regulation on OTC derivatives, central counterparties and trade repositories 19 December 2012. Date of Access: 3 January 2013. http://europa.eu/rapid/press-release_IP-12-1419_en.htm?locale=en

¹⁸⁷⁴ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁷⁵ OTC Derivatives Market Reforms Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access: 8 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

In its 23 August 2013 Annual Report, The Reserve Bank of India notes that reform packages have been introduced to “reduce systemic risk in derivative markets by moving OTC derivatives to central clearing and settlement mechanisms.”¹⁸⁷⁶

The government of India’s response to the FSB survey of August 2012 on Declared Approaches to Central Clearing of OTC Derivatives was, “Q4 2012 for mandatory clearing requirements for USD/INR forwards.”¹⁸⁷⁷

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that India has adopted or partially adopted reforms in all five FSB recommendation areas.¹⁸⁷⁸

India has taken steps toward compliance with all FSB recommendation areas on OTC derivatives market reform and has therefore been awarded a score of +1.

Analyst: Igor Samardzic

Indonesia: N/A

Indonesia does not have an OTC derivatives market and cannot be scored for this commitment.

Italy: 0

Italy has partially complied with its commitment that all standardized OTC derivative contracts be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012.

On 13 October 2012, Mark Carney, Chairman of the Financial Stability Board to the International Monetary and Financial Committee, issued a statement, saying “...members expressed concern about unresolved issues in the cross-border application of regulation.”¹⁸⁷⁹

On 31 October 2012, the FSB published its Fourth Progress Report on Implementation, stating “Industry, with the support of regulators, should accelerate their work on issues relating to the standardization of both products and processes.”¹⁸⁸⁰

Regarding the commitment for central clearing of standardized OTC derivatives, Italy, like the other EU members, will follow the approach set forth by EMIR.¹⁸⁸¹ On 5 November 2012 the

¹⁸⁷⁶ Reserve Bank of India Annual Report 2011-2012 23 August 2012. Date of Access 9 January 2013.
<http://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/01ANR230812FL.pdf>

¹⁸⁷⁷ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board-Secretariat 5 November 2012. Date of Access: 10 January 2013.
http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸⁷⁸ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.
http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁷⁹ Statement of Mark Carney Chairman of the Financial Stability Board to the International Monetary and Financial Committee (Tokyo) 13 October 2012. Date of Access: 8 January 2013.
<http://www.imf.org/External/AM/2012/imfc/statement/eng/fsb.pdf>

¹⁸⁸⁰ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013.
http://www.financialstabilityboard.org/publications/r_121031a.pdf

FSB issued the Jurisdictions' declared approaches to central clearing of OTC derivatives. The European Union declared "additional implementing rules (standards and decisions) to be finalized primarily in H1 2013."¹⁸⁸²

On 15 February 2013, BCBS and IOSCO published their near-final proposal on Margin requirements for non-centrally cleared derivatives. As of the time of the writing of this report, Italy, like other EU members, has not implemented any special regulation to comply with the G20 commitment of higher capital requirements for non-centrally cleared contracts. The aforementioned paper, released by BCBS and IOSCO, proposes that initial margin requirements be phased-in over four years, beginning 2015.¹⁸⁸³

On 23 February 2013, key regulatory technical standards (RTS), which were first adopted as part of EMIR on 19 December 2012, were published. They came into effect on 15 March 2013.^{1884,1885}

According to the standards published by the European Parliament on 23 February 2013, all OTC derivatives should be reported to TRs by the beginning of 2014.¹⁸⁸⁶ Furthermore, on 11 April 2013, the Committee on Payment and Settlement Systems (CPSS) and IOSCO published a consultative report on authorities' access to trade repositories data. The purpose of the report is to provide guidance to the EU and the rest of the G20 members on the principles that should guide authorities' access to data held in TRs.¹⁸⁸⁷

In the EU, legislation introducing a mandatory trading framework is in the final stages of negotiation. It would then have to be adopted by Italy and other EU members.¹⁸⁸⁸

Legislation and detailed technical rules providing for central clearing are now in force in the EU, although no products are currently required to be cleared. The first phase of the EU central clearing regime is for CCPs to be re-authorised or recognised under EMIR, and this process is

¹⁸⁸¹ Jurisdictions' declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸⁸² Jurisdictions' declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁸⁸³ Margin requirements for non-centrally cleared derivatives - Second consultative document, Basel Committee on Banking Supervision and the Board of IOSCO (Basel) 15 February 2013. Date of Access: 27 June 2013.

<http://www.bis.org/publ/bcbs242.pdf>

¹⁸⁸⁴ Commission Delegated Regulation (EU) No 148/2013, Official Journal of the European Parliament (Brussels) 23 February 2013. Date of Access: 30 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:FULL:EN:PDF>

¹⁸⁸⁵ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁸⁶ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁸⁷ Authorities' access to trade repository data - consultative report, CPSS and IOSCO (Basel/Madrid) 11 April 2013. Date of Access: 27 June 2013. <http://www.bis.org/publ/cpss108.htm>

¹⁸⁸⁸ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

underway as of March 2013. Once a CCP has been re-authorised or recognised in respect of the products it clears, ESMA will assess whether the relevant OTC derivatives products should be subject to a mandatory clearing obligation, with the possibility of phase-in according to the categories of counterparties. It is anticipated that the first mandatory clearing obligations will be determined by the end of 2013, and will come into force in early 2014.^{1889,1890}

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that even though the European Union is “among the most advanced in implementing legislative and regulatory reform, with several key regulatory measures in force,” it has yet to pass required reforms Electronic Platform Trading and on Higher Capital Requirements for non-centrally-cleared OTC Derivatives products.¹⁸⁹¹

On 28 June 2013, BCBS and IOSCO published a consultative paper on Capital treatment of bank exposures to central counterparties. Changes to the interim standard, which was initially published in July 2012, will not be made before late 2013. Regulation in this area is, therefore, still a work in progress.¹⁸⁹²

Italy has taken some steps toward compliance with some of the FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of 0.

Analyst: Theodora Mladenova

Japan: +1

Japan has taken active steps to comply with the applicable FSB recommendations to strengthen regulation and supervision of OTC derivatives markets in a nondiscriminatory manner with respect to all five recommendation areas: standardization, central clearing, exchange and platform trading, reporting to trade repositories, and higher capital requirements for non-centrally cleared contracts.

On 12 September 2012 Japan’s Financial Service Agency promulgated the Outline of 2012 Financial Instruments and Exchange (Amendment) Act. The outline includes regulations regarding: (1) Facilitating the Establishment of a “Comprehensive Exchange”; (2) Improving the fairness and transparency of OTC derivatives transactions; (3) Ensuring appropriate regulations against market misconducts. These regulations aim to develop standardization, electronic trading platforms, reporting to trade repositories and higher capital requirements for non-centrally cleared contracts.¹⁸⁹³

¹⁸⁸⁹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁹⁰ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁸⁹¹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁹² Capital treatment of bank exposures to central counterparties - consultative document, Bank for International Settlements (Basel) 28 June 2013. Date of Access: 30 June 2013.

<http://www.bis.org/publ/bcbs253.htm>

¹⁸⁹³ Outline of 2012 Financial Instruments and Exchange (Amendment) Act, Japan’s Financial Service Agency 12 September 2012. <http://www.fsa.go.jp/en/refer/legislation/20121012/01.pdf>

The outline also mentions that legislation concerning “mandatory central clearing” and “mandatory storage and reporting of trade data” has been promulgated in the amendment of the Financial Instruments and Exchange Act in 2010.¹⁸⁹⁴

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that even though Japan is “among the most advanced in implementing legislative and regulatory reform, with several key regulatory measures in force,” it has yet to pass implementing regulation on Exchange or Electronic Platform Trading.¹⁸⁹⁵ Japan has however adopted legislation on Exchange or Electronic Platform Trading and has passed implementing legislation on Central Clearing, Reporting to Trade repositories, and Higher Capital Requirements for non-centrally cleared OTC derivatives.¹⁸⁹⁶

Japan has taken steps toward compliance with all five FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of +1.

Analyst: Chen Qu

Korea: 0

Korea has partially complied with its commitments to strengthen regulation of OTC derivatives markets with the following areas: (1) increasing standardization; (2) central clearing; (3) exchange/ electronic platform trading; (4) reporting to trade repositories; (5) higher capital requirement for non-centrally cleared contracts.

On 25 June 2012, the Financial Services Commission (FSC) of Korea submitted a proposed amendment to the Financial Investment Services and Capital Markets Act in the 19th National Assembly. The amendment introduces central counterparty (CCP), so that the transactions of OTC derivatives capable of causing a significant impact on domestic capital market would be required to clear through the CCP. The amendment is designed to reform Korean’s capital market infrastructure and to strengthen investor protection.¹⁸⁹⁷

On 31 October 2012, the Financial Stability Board published the OTC Derivative Market Reform: Fourth Progress Report on Implementation. The report reviewed OTC Derivative progress in Korea: “1) The Financial Investment Services and Capital Markets Act (FSS) and the Foreign Exchange Transactions Act (BoK) require reporting of all OTC derivatives transactions to authorities; 2) Legislation has not yet proposed toward implementing a trading requirement for all or any subset of standardized derivatives to be traded on exchanges or electronic trading platform.”¹⁸⁹⁸

¹⁸⁹⁴ Outline of 2012 Financial Instruments and Exchange (Amendment) Act, Japan’s Financial Service Agency 12 September 2012. <http://www.fsa.go.jp/en/refer/legislation/20121012/01.pdf>

¹⁸⁹⁵ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁹⁶ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013. http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁸⁹⁷ Foreign Investors Learn to Love Korea, IFLR1000 (Seoul) 25 June 2012. Date of Access 3 January 2013. <http://www.iflr.com/Article/3072368/Foreign-investors-learn-to-love-Korea.html>

¹⁸⁹⁸ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access 3 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

However on 22 November 2012, Korean legislators failed to pass the OTC derivative clearing bill to meet the 2012 deadline agreed upon by G20 members to clear standardized OTC derivatives. Mandatory clearing in Korea has been postponed to commence in October 2013.¹⁸⁹⁹

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that regulation requiring reporting of OTC Derivatives transactions to Trade Repositories was implemented.¹⁹⁰⁰ The FSB further notes that by end-2012, Korea had already adopted legislation on Central Clearing, even though this legislation was not yet in force when the report was published. Furthermore, “proportion of OTC derivatives composed of standardized derivatives substantially increased.” The FSB further notes that regulation regarding Exchange or electronic platform trading has yet to be proposed: “review of policy options underway.”¹⁹⁰¹

Korea has not undertaken actions on FSB recommendation areas: (1) exchange/electronic platform to trade OTC derivatives; (2) higher capital requirements for non-centrally cleared contracts. Furthermore, Korea has yet to implement the legislation passed on Central Clearing. Korea has therefore earned a score of 0.

Analyst: Qing Zeng

Mexico: 0

Mexico has partially complied with its commitment that all standardized OTC derivative contracts be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012.

On 13 October 2012, Mark Carney, Chairman of the Financial Stability Board to the International Monetary and Financial Committee, issued a statement, saying “members expressed concern about unresolved issues in the cross-border application of regulation.”¹⁹⁰²

On 31 October 2012, the FSB published its Fourth Progress Report on Implementation, stating “Industry, with the support of regulators, should accelerate their work on issues relating to the standardisation of both products and processes.”¹⁹⁰³

The Fourth Progress Report, published by the FSB, also states that “... significant data gaps remain concerning the extent of reporting and central clearing of products, in particular for the commodities, equities and foreign exchange asset classes. These data gaps need to be filled.”¹⁹⁰⁴

¹⁸⁹⁹ Korea to Start Mandatory Clearing in October 2013, Risk.net. Date of Access 3 January 2013
<http://www.risk.net/asia-risk/news/2226870/korea-to-start-mandatory-clearing-in-october-2013>

¹⁹⁰⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹⁰¹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹⁰² Statement of Mark Carney Chairman of the Financial Stability Board to the International Monetary and Financial Committee (Tokyo) 13 October 2012. Date of Access: 8 January 2013.

<http://www.imf.org/External/AM/2012/imfc/statement/eng/fsb.pdf>

¹⁹⁰³ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

On 5 November 2012 the FSB issued the Jurisdictions' declared approaches to central clearing of OTC derivatives. Mexico declared that it would institute mandatory clearing requirements for "standardized" OTC derivatives and incentives for other derivatives by H1 2013.¹⁹⁰⁵

In November 2012, Comision Nacional Bancaria y de Valores released "El Mercado de Derivados Mexicano: Características, Regulación, Supervisión y Reformas derivadas de los acuerdos del G-20." According to the document, regulation should be released in December 2012, MOUs with international authorities should be in place by the end of the first trimester of 2013, and a bill should be drafted in the first half of 2013.¹⁹⁰⁶

On 15 February 2013, BCBS and IOSCO published their near-final proposal on Margin requirements for non-centrally cleared derivatives. As of the time of the writing of this report, Mexico has not implemented any regulation to comply with the G20 commitment of higher capital requirements for non-centrally cleared contracts. The aforementioned paper, released by BCBS and IOSCO, proposes that initial margin requirements be phased-in over four years, beginning 2015.¹⁹⁰⁷

On 11 April 2013, the Committee on Payment and Settlement Systems (CPSS) and IOSCO published a consultative report on authorities' access to trade repositories data. The purpose of the report is to provide guidance to Mexico and the rest of the G20 members on the principles that should guide authorities' access to data held in TRs.¹⁹⁰⁸

Mexico noted that it anticipates central clearing obligations to be brought into force by the summer of 2013.¹⁹⁰⁹

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that Mexico did not need legislative changes.¹⁹¹⁰ However, the

¹⁹⁰⁴ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹⁰⁵ Jurisdictions' declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁹⁰⁶ El Mercado de Derivados Mexicano: Características, Regulación, Supervisión y Reformas derivadas de los acuerdos del G-20, Comision Nacional Bancaria y de Valores (Mexico City) November 2012. Date of Access: 8 January 2013.

http://www.iimv.org/actividades2/Antigua2012-2/martes13/LuisLeyvaEl%20Mercado%20de%20Mercado%20de%20Derivados%20Mexico%20y%20Reformas%20al%20OTC_LLM_%2012NOV2012%20IIMV%20LA%20ANTIGUA%20GUAT.pdf

¹⁹⁰⁷ Margin requirements for non-centrally cleared derivatives - Second consultative document, Basel Committee on Banking Supervision and the Board of IOSCO (Basel/Madrid) 15 February 2013. Date of Access: 27 June 2013.

<http://www.bis.org/publ/bcbs242.pdf>

¹⁹⁰⁸ Authorities' access to trade repository data - consultative report, CPSS and IOSCO (Basel/Madrid) 11 April 2013. Date of Access: 27 June 2013. <http://www.bis.org/publ/cpss108.htm>

¹⁹⁰⁹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹¹⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

report also notes that regulation implementing higher capital requirements for non-centrally-cleared contracts had been partially adopted, while regulation implementing Central Clearing, Exchange or Electronic Platform Trading, and Reporting to Trade Repositories was up for public consultation, and therefore not implemented yet.¹⁹¹¹

Mexico has taken some steps toward compliance with some of the FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of 0.

Analyst: Theodora Mladenova

Russia: +1

Russia has fully complied with its commitment on strengthening regulation and supervision of OTC derivatives markets.

Federal Laws No. 7-FZ on clearing and clearing activities¹⁹¹² and pursuant amendments to this law, aimed at enhancing effectiveness of its implementation and increasing the use of standardized OTC products in the Russian market,¹⁹¹³ created the legal basis for OTC contracts standardization. According to the Federal Law No. 8-FZ close-out netting in Russia covers only standardized products.¹⁹¹⁴ Federal Law No. 281-FZ provides for tax preferences for derivatives agreements on standardized terms.¹⁹¹⁵

This legislation can also be considered as a move towards the goal of clearing OTC derivatives contracts through central counterparties. However, there is no requirement that all standardized OTC derivatives are cleared through CCPs in force in Russia.

According to the FSB OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Russia has adopted “regulation requiring all or any subset of standardized derivatives to be traded on exchanges or electronic trading platforms.” However, Russian authorities need to adopt implementing regulations for this requirement.¹⁹¹⁶

On 26 October 2012, the order of the Russian Federal Service for Financial Markets providing for the establishment of trade repositories and defining the procedure of collecting data on OTC

¹⁹¹¹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹¹² Federal Law of 7 February 2011 No. 7-FZ on Clearing and Clearing Activities, Office of the President (Moscow) 9 February 2011. Date of Access: 27 March 2013. <http://kremlin.ru/acts/10284>.

¹⁹¹³ Federal Law of 21 November 2011 No. 327-FZ on Making Amendments to Certain Legislative Acts of the Russian Federation in Connection with the Adoption of Federal Law on Organised Trading, Office of the President (Moscow) 21 November 2011. Date of Access: 27 March 2013. <http://graph.document.kremlin.ru/page.aspx?1582356>.

¹⁹¹⁴ Federal Law of 7 February 2011 No. 8-FZ on Making Amendments to Certain Legislative Acts of the Russian Federation in Connection with the Adoption of Federal Law on Clearing and Clearing Activities, Office of the President (Moscow) 9 February 2011. Date of Access: 27 March 2013.

<http://graph.document.kremlin.ru/page.aspx?1544574>.

¹⁹¹⁵ Federal Law of 25 November 2009 No. 281-FZ on Making Amendments to Parts 1 and 2 of the Tax Code and Certain Legislative Acts of the Russian Federation, Office of the President (Moscow) 25 November 2009. Date of Access: 27 March 2013. <http://graph.document.kremlin.ru/page.aspx?1035347>.

¹⁹¹⁶ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 27 March 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf.

derivative transactions entered into force.¹⁹¹⁷ However, this order has not obliged market participants to report to trade repository on OTC derivative transactions. According to the FSB Secretariat information note, Russian authorities will make “decision on whether mandatory requirements are needed ... after TR requirements are in effect, providing data to better analyze the market.”¹⁹¹⁸

According to the FSB OTC Derivatives Market Reforms, Fifth Progress Report on Implementation, Russia is among those jurisdictions that “have noted that they are implementing Basel III capital requirements and are monitoring the progress of the Working Group on Margining Requirements (WGMR) for guidance on developing margining requirements”. Thus, margining requirements for OTC derivative transactions were at that moment considered as “not applicable” for Russia.¹⁹¹⁹

On 12 July 2013, Russia Central Bank provided for additional capital requirements for the risk of credit valuation adjustments (CVA) to derivatives and OTC contracts to become effective starting from 1 October 2014.¹⁹²⁰

Russia has taken steps to comply with the FSB recommendations to strengthen regulation and supervision of OTC derivatives markets with respect to four of the recommendation areas, while legislative changes in the area if margining requirements are not considered to be necessary in Russia. Thus, Russia receives a score of +1.

Analyst: Andrey Shelepov

Saudi Arabia: +1

Saudi Arabia has complied with its commitment to strengthen regulation of OTC Derivatives Markets and has therefore earned a score of +1.

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes that legislative changes are not needed in the jurisdiction. The report further notes that the implementing regulation is effective for both Reporting to Trade Repositories and for Higher Capital Requirements for non-centrally-cleared contracts. Regarding Standardization, Saudi Arabia declared that “Banks in Saudi Arabia already use standardized and plain vanilla products (primarily foreign exchange and interest rate products).” Central Clearing has not been implemented, as “current and future trading volumes are unlikely to justify establishment of a domestic CCP.” The trade repository “is expected to serve as the future

¹⁹¹⁷ Russian Federal Service for Financial Markets Order of 28 December 2011 No. 11-68/pz-n , Rossijskaya Gazeta 16 October 2012. Date of Access: 27 March 2013. <http://www.rg.ru/2012/10/16/fin-reeestr-site-dok.html>.

¹⁹¹⁸ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Secretariat information note, Financial Stability Board 5 November 2012. Date of Access 27 March 2013. http://www.financialstabilityboard.org/publications/r_121105a.pdf.

¹⁹¹⁹ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access 27 March 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf.

¹⁹²⁰ Information on introducing regulation of lending agencies in accordance with Basel III, Bank of Russia 12 July 2013. Date of Access: 20 August 2013. http://cbr.ru/press/Plugins/Archive_get_blob.aspx?doc_id=130712_143900intern1.htm.

foundation for any electronic trading on exchanges [...] should the need for such mechanisms arise.”¹⁹²¹

Saudi Arabia has complied with all recommendations applicable to its jurisdiction and has therefore earned a score of +1.

Analyst: HyunAh (Heidi) Shim

South Africa: 0

South Africa has complied with its commitment to strengthen regulation of OTC Derivative Markets, but implementing regulation is still needed to make legislative changes come into force. South Africa has therefore earned a score of 0.

The 31 October 2012 FSB Progress Report on OTC Derivatives Market Reforms notes that South Africa proposed legislation on Central Clearing, Reporting to TRs, and Standardization.

The 31 October 2012 FSB Progress Report on OTC Derivatives Market Reforms notes that South Africa’s “legislative and regulatory frameworks to require trading of standardized derivatives on organized trading platforms, where appropriate, is not as advanced as other reform areas.”¹⁹²² South Africa is “reportedly taking a wait and see approach regarding requirement trading on organized trading platforms.”¹⁹²³

The 6 November 2012 National Assembly in Parliament adopted the Financial Markets Bill that accepted several OTC derivative reforms in Standardization, Central Clearing, and Reporting to TRs.¹⁹²⁴

The government of South Africa’s response to the FSB survey of August 2012 on Declared Approaches to Central Clearing of OTC Derivatives was that the timeframe for implementation would be January 2013.¹⁹²⁵

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board notes South Africa adopted legislation on Central Clearing, Exchange or Electronic Platform Trading, and Reporting to Trade Repositories. Implementing regulation on the latter was under public consultation at the time the FSB report was published. The FSB report further noted that higher Capital Requirements for non-centrally cleared

¹⁹²¹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹²² OTC Derivatives Market Reforms Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access: 9 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹²³ OTC Derivatives Market Reforms Fourth Progress Report on Implementation, Financial Stability Board 31 October 2012. Date of Access: 9 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹²⁴ Legislation, Department of National Treasury (South Africa) 6 November 2012. Date of Access: 11 January 2013 <http://www.treasury.gov.za/legislation/bills/2012/FMB/>

¹⁹²⁵ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board-Secretariat 5 November 2012. Date of Access: 10 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

derivatives contracts was already effective. South Africa declared the FSB that “A significant portion of the market is already fairly standardized.”¹⁹²⁶

On 29 May 2013, President Jacob Zuma promulgated the Financial Markets Act (No. 19 of 2012), which further regulated the financial markets and OTC derivatives market. The introduction of the new law is to bring South Africa in line with international standards.¹⁹²⁷

South Africa has taken significant steps toward compliance with all five FSB recommendation areas on OTC derivatives market reforms but has yet to implement these legislative and regulatory steps. South Africa has therefore been awarded a score of 0.

Analyst: Igor Samardzic

Turkey: 0

Turkey has partially complied with its commitment to strengthen regulation of OTC derivatives with the following areas: standardization; central clearing; reporting to TRs. However, Turkey has not taken steps toward compliance with two FSB recommendation areas for OTC derivatives reform: Exchange/platform trading; Higher capital requirements for non-centrally cleared Contracts.

On 31 October 2012, the Financial Stability Board released the OTC Derivative Market Reform: Fourth Progress Report on Implementation. The report noted “under current legislation, investment firms are prohibited from dealing in OTC derivatives in Turkey; banks use mainly plain vanilla products with standardized features.”¹⁹²⁸ The report reviewed that Turkey has proposed to adopt the new Capital Markets Law and Turkey has prepared to introduce OTC derivatives as a capital market instrument. The new Capital Markets Law will allow the Capital Market Boards of Turkey to designate clearing agents to centrally clear OTC derivatives transactions or to require the establishment of a central counterparty clearing in certain markets. The Law will also give the Capital Market Boards authority to require transactions to be reported directly to authorized trading repositories¹⁹²⁹.

In its 15 April 2013 OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, the Financial Stability Board confirms that Turkey has adopted legislation on Central Clearing and reporting to Trade Repositories. Turkey stated that “Under current legislation, investment firms are prohibited from dealing in OTC derivatives in Turkey; banks use mainly plain vanilla products with standardized features.” Furthermore, Turkey declared that “sub-legislation [on

¹⁹²⁶ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹²⁷ Financial Markets Act to come into effect in June, South African Government News Agency 29 May 2013. Date of Access: 21 July 2013. <http://www.sanews.gov.za/south-africa/financial-markets-act-come-effect-june>

¹⁹²⁸ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access 3 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹²⁹ OTC Derivatives Market Reforms: Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access 3 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

Central Clearing] is expected to be adopted by end of Q2 2013.” Regarding Exchange or electronic platform trading, “Policy options are under review.”¹⁹³⁰

Turkey has taken steps to comply with three of the five recommendation areas for OTC derivative reform and has therefore earned a score of 0.

Analyst: Qing Zeng

United Kingdom: 0

The United Kingdom has partially complied with its commitment that all standardized OTC derivative contracts be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012.

On 13 October 2012, Mark Carney, Chairman of the Financial Stability Board to the International Monetary and Financial Committee, issued a statement, saying that “...members expressed concern about unresolved issues in the cross-border application of regulation.”¹⁹³¹

On 31 October 2012, the FSB published its Fourth Progress Report on Implementation, stating “Industry, with the support of regulators, should accelerate their work on issues relating to the standardization of both products and processes.”¹⁹³²

Regarding the commitment for central clearing of standardized OTC derivatives, the UK, like the other EU members, will follow the approach set forth by EMIR.¹⁹³³ On 5 November 2012 the FSB issued the Jurisdictions’ declared approaches to central clearing of OTC derivatives. The European Union declared “additional implementing rules (standards and decisions) to be finalized primarily in H1 2013.”¹⁹³⁴

On 15 February 2013, BCBS and IOSCO published their near-final proposal on Margin requirements for non-centrally cleared derivatives. As of the time of the writing of this report, the UK, like other EU members, has not implemented any special regulation to comply with the G20 commitment of higher capital requirements for non-centrally cleared contracts. The

¹⁹³⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 23 July 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹³¹ Statement of Mark Carney Chairman of the Financial Stability Board to the International Monetary and Financial Committee (Tokyo) 13 October 2012. Date of Access: 8 January 2013.

<http://www.imf.org/External/AM/2012/imfc/statement/eng/fsb.pdf>

¹⁹³² OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹³³ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁹³⁴ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

aforementioned paper, released by BCBS and IOSCO, proposes that initial margin requirements be phased-in over four years, beginning 2015.¹⁹³⁵

On 23 February 2013, key regulatory technical standards (RTS), which were first adopted as part of EMIR on 19 December 2012, were published. They came into effect on 15 March 2013.^{1936,1937}

According to the standards published by the European Parliament on 23 February 2013, all OTC derivatives should be reported to TRs by the beginning of 2014.¹⁹³⁸ Furthermore, on 11 April 2013, the Committee on Payment and Settlement Systems (CPSS) and IOSCO published a consultative report on authorities' access to trade repositories data. The purpose of the report is to provide guidance to the EU and the rest of the G20 members on the principles that should guide authorities' access to data held in TRs.¹⁹³⁹

In the EU, legislation introducing a mandatory trading framework is in the final stages of negotiation. It would then have to be adopted by the UK and other EU members.¹⁹⁴⁰

Legislation and detailed technical rules providing for central clearing are now in force in the EU, although no products are currently required to be cleared. The first phase of the EU central clearing regime is for CCPs to be re-authorised or recognised under EMIR, and this process is underway as of March 2013. Once a CCP has been re-authorised or recognised in respect of the products it clears, ESMA will assess whether the relevant OTC derivatives products should be subject to a mandatory clearing obligation, with the possibility of phase-in according to the categories of counterparties. It is anticipated that the first mandatory clearing obligations will be determined by the end of 2013, and will come into force in early 2014.^{1941,1942}

On 28 June 2013, BCBS and IOSCO published a consultative paper on Capital treatment of bank exposures to central counterparties. Changes to the interim standard, which was initially

¹⁹³⁵ Margin requirements for non-centrally cleared derivatives - Second consultative document, Basel Committee on Banking Supervision and the Board of IOSCO (Basel) 15 February 2013. Date of Access: 27 June 2013.

<http://www.bis.org/publ/bcbs242.pdf>

¹⁹³⁶ Commission Delegated Regulation (EU) No 148/2013, Official Journal of the European Parliament (Brussels) 23 February 2013. Date of Access: 30 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:FULL:EN:PDF>

¹⁹³⁷ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁹³⁸ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁹³⁹ Authorities' access to trade repository data - consultative report, CPSS and IOSCO (Basel/Madrid) 11 April 2013. Date of Access: 27 June 2013. <http://www.bis.org/publ/cpss108.htm>

¹⁹⁴⁰ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹⁴¹ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹⁴² EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

published in July 2012, will not be made before late 2013. Regulation in this area is, therefore, still a work in progress.¹⁹⁴³

The United Kingdom has taken some steps toward compliance with some of the FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of 0.

Analyst: Theodora Mladenova

United States: +1

The United States has fully complied with its commitment to strengthen regulation of OTC derivatives markets by: (1) increasing standardization; (2) establishing central counterparties for central clearing of OTC derivatives contracts; (3) establishing exchange or electronic platform trading; (4) establishing trade repositories for OTC derivatives transactions; (5) higher capital requirements for non-centrally cleared contracts.

On July 21, 2010, the United States launched the Dodd-Frank Act, which is compatible with the G20 commitment on over-the-counter (OTC) derivatives.¹⁹⁴⁴ This act supports the G20 commitment of the United States on OTC derivatives during the Los Cabos Summit cycle.

On 11 June 2012, the Securities and Exchange Commission announced a detailed plan with dozens of new rules governing over-the-counter swaps in order to erase ambiguity on the previous Dodd-Frank Act (2010).¹⁹⁴⁵ The S.E.C. outlined that “the rules require companies to trade most derivatives contracts through regulated exchanges — or a new creation known as a swap execution facility — and force most derivatives deals to go through clearinghouses, which act as a backstop in case one trading party defaults.”¹⁹⁴⁶

On 16 November 2012, at the 15th Annual International Banking Conference, Secretary Miller emphasized the effect of the Dodd-Frank Act in stabilizing the financial markets. He mentioned that market participants have started to adopt many of these changes in the act.¹⁹⁴⁷ Moreover, he also stated “most swaps trading activity will increasingly move onto clearinghouses and trading facilities over the next few years.”¹⁹⁴⁸

On 3 January 2013, Gary Gensler, chairman of the Commodity Futures Trading Commission, announced a new policy for banks with regard to derivative markets, stating “Real-time reporting brings transparency to the formerly opaque swaps market.” The banks are required to register and

¹⁹⁴³ Capital treatment of bank exposures to central counterparties - consultative document, Bank for International Settlements (Basel) 28 June 2013. Date of Access: 30 June 2013.
<http://www.bis.org/publ/bcbs253.htm>

¹⁹⁴⁴ 2012 Financial Development (Washington) 20 July 2012. Date of Access: 5 January 2013.
[http://www.treasury.gov/initiatives/fsoc/Documents/2012 Financial Developments.pdf](http://www.treasury.gov/initiatives/fsoc/Documents/2012%20Financial%20Developments.pdf)

¹⁹⁴⁵ Regulator Releases ‘Road Map’ on Swaps Overhaul (New York) 11 June 2012. Date of Access: 24 January 2013. <http://dealbook.nytimes.com/2012/06/11/regulator-releases-road-map-on-swaps-overhaul/>

¹⁹⁴⁶ Regulator Releases ‘Road Map’ on Swaps Overhaul (New York) 11 June 2012. Date of Access: 24 January 2013. <http://dealbook.nytimes.com/2012/06/11/regulator-releases-road-map-on-swaps-overhaul/>

¹⁹⁴⁷ Remarks of Under Secretary Miller at the 15th Annual International Banking Conference Hosted by the Federal Reserve Bank of Chicago (Washington) 16 November 2012. Date of Access: 5 January 2013.
<http://www.treasury.gov/press-center/press-releases/Pages/tg1771.aspx>

¹⁹⁴⁸ Remarks of Under Secretary Miller at the 15th Annual International Banking Conference Hosted by the Federal Reserve Bank of Chicago (Washington) 16 November 2012. Date of Access: 5 January 2013.
<http://www.treasury.gov/press-center/press-releases/Pages/tg1771.aspx>

produce data included foreign banks like Deutsche Bank in Germany and Barclays in England.¹⁹⁴⁹ The banks are also required to turn over in real-time the data from their trading book.¹⁹⁵⁰ The disclosures include “the volume, time and price of each derivatives trade.”¹⁹⁵¹

On 25 January 2013, the CFTC announced a plan in response to the U.S. regulatory overhaul aimed at increasing transparency: “more than half of the \$18 trillion in notional daily trading of energy swaps has moved to futures exchanges from the over-the-counter market.”¹⁹⁵²

The United States has fully complied with all five FSB recommendation areas for OTC derivatives reform and has therefore earned a score of +1.

Analyst: HyunAh (Heidi) Shim

European Union: 0

The European Union, despite its progress with EMIR¹⁹⁵³, has partially complied with its commitment that all standardized OTC derivative contracts be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012.

The main concern remains the meeting of the G20 deadlines.¹⁹⁵⁴

On 13 October 2012, Mark Carney, Chairman of the Financial Stability Board to the International Monetary and Financial Committee, issued a statement, saying that “...members expressed concern about unresolved issues in the cross-border application of regulation.”¹⁹⁵⁵

On 31 October 2012, the FSB published its Fourth Progress Report on Implementation, stating “Industry, with the support of regulators, should accelerate their work on issues relating to the standardization of both products and processes.”¹⁹⁵⁶

The Fourth Progress Report, published by the FSB, also states that “... significant data gaps remain concerning the extent of reporting and central clearing of products, in particular for the

¹⁹⁴⁹ Banks Face New Checks on Derivatives Trading (New York) 3 January 2013. Date of Access: 24 January 2013. <http://dealbook.nytimes.com/2013/01/03/banks-face-new-checks-on-derivatives-trading/>

¹⁹⁵⁰ Banks Face New Checks on Derivatives Trading (New York) 3 January 2013. Date of Access: 24 January 2013. <http://dealbook.nytimes.com/2013/01/03/banks-face-new-checks-on-derivatives-trading/>

¹⁹⁵¹ Banks Face New Checks on Derivatives Trading (New York) 3 January 2013. Date of Access: 24 January 2013. <http://dealbook.nytimes.com/2013/01/03/banks-face-new-checks-on-derivatives-trading/>

¹⁹⁵² Energy Swaps Migrating to Futures on Dodd-Frank Rules (New York) 25 January 25 2013. Date of Access: 25 January 2013. <http://www.bloomberg.com/news/2013-01-25/energy-swaps-migrating-to-futures-as-dodd-frank-rules-take-hold.html>

¹⁹⁵³ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹⁵⁴ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹⁵⁵ Statement of Mark Carney Chairman of the Financial Stability Board to the International Monetary and Financial Committee (Tokyo) 13 October 2012. Date of Access: 8 January 2013. <http://www.imf.org/External/AM/2012/imfc/statement/eng/fsb.pdf>

¹⁹⁵⁶ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013. http://www.financialstabilityboard.org/publications/r_121031a.pdf

commodities, equities and foreign exchange asset classes. These data gaps need to be filled.”¹⁹⁵⁷
On 5 November 2012 the FSB issued the Jurisdictions’ declared approaches to central clearing of OTC derivatives. The European Union declared “additional implementing rules (standards and decisions) to be finalized primarily in H1 2013.”¹⁹⁵⁸

On 15 February 2013, BCBS and IOSCO published their near-final proposal on Margin requirements for non-centrally cleared derivatives. As of the time of the writing of this report, the EU has not implemented any special regulation to comply with the G20 commitment of higher capital requirements for non-centrally cleared contracts. The aforementioned paper, released by BCBS and IOSCO, proposes that initial margin requirements be phased-in over four years, beginning 2015.¹⁹⁵⁹

On 23 February 2013, key regulatory technical standards (RTS), which were first adopted on 19 December 2012 as part of EMIR, were published. They came into effect on 15 March 2013.^{1960,1961}

According to the standards published by the European Parliament on 23 February 2013, all OTC derivatives should be reported to TRs by the beginning of 2014.¹⁹⁶² Furthermore, on 11 April 2013, the Committee on Payment and Settlement Systems (CPSS) and IOSCO published a consultative report on authorities’ access to trade repositories data. The purpose of the report is to provide guidance to the EU and the rest of the G20 members on the principles that should guide authorities’ access to data held in TRs.¹⁹⁶³

In the EU, legislation introducing a mandatory trading framework is in the final stages of negotiation.¹⁹⁶⁴

¹⁹⁵⁷ OTC Derivatives Market Reforms, Fourth Progress Report on Implementation, Financial Stability Board (Basel) 31 October 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121031a.pdf

¹⁹⁵⁸ Jurisdictions’ declared approaches to central clearing of OTC derivatives, Financial Stability Board (Basel) 5 November 2012. Date of Access: 8 January 2013.

http://www.financialstabilityboard.org/publications/r_121105a.pdf

¹⁹⁵⁹ Margin requirements for non-centrally cleared derivatives - Second consultative document, Basel Committee on Banking Supervision and the Board of IOSCO (Basel) 15 February 2013. Date of Access: 27 June 2013.

<http://www.bis.org/publ/bcbs242.pdf>

¹⁹⁶⁰ Commission Delegated Regulation (EU) No 148/2013, Official Journal of the European Parliament (Brussels) 23 February 2013. Date of Access: 30 June 2013.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:FULL:EN:PDF>

¹⁹⁶¹ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁹⁶² EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁹⁶³ Authorities' access to trade repository data - consultative report, CPSS and IOSCO (Basel/Madrid) 11 April 2013. Date of Access: 27 June 2013. <http://www.bis.org/publ/cpss108.htm>

¹⁹⁶⁴ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

Legislation and detailed technical rules providing for central clearing are now in force in the EU, although no products are currently required to be cleared. The first phase of the EU central clearing regime is for CCPs to be re-authorised or recognised under EMIR, and this process is underway as of March 2013. Once a CCP has been re-authorised or recognised in respect of the products it clears, ESMA will assess whether the relevant OTC derivatives products should be subject to a mandatory clearing obligation, with the possibility of phase-in according to the categories of counterparties. It is anticipated that the first mandatory clearing obligations will be determined by the end of 2013, and will come into force in early 2014.^{1965,1966}

In its 23 February 2013 publication in the OJ, the EU Parliament indicated that the European Commission has asked the European Securities and Markets Authority (ESMA) for advice on equivalence for non-EU CCPs, TRs as well as on equivalence for the purpose of exemption from clearing, reporting, and risk mitigation obligations. ESMA is scheduled to provide advice for all non-EU jurisdictions by 15 July 2013.¹⁹⁶⁷

On 28 June 2013, BCBS and IOSCO published a consultative paper on Capital treatment of bank exposures to central counterparties. Changes to the interim standard, which was initially published in July 2012, will not be made before late 2013. Regulation in this area is, therefore, still a work in progress.¹⁹⁶⁸

The European Union has taken some steps toward compliance with some of the FSB recommendation areas regarding the regulation of OTC Derivative markets and therefore earned a score of 0.

Analyst: Theodora Mladenova

¹⁹⁶⁵ OTC Derivatives Market Reforms: Fifth Progress Report on Implementation, Financial Stability Board (Basel) 15 April 2013. Date of Access: 25 June 2013.

http://www.financialstabilityboard.org/publications/r_130415.pdf

¹⁹⁶⁶ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁹⁶⁷ ¹⁹⁶⁷ EMIR: illustrative implementation timeline, Clifford Chance (London) 15 May 2013. Date of Access: 30 June 2013. <http://www.risklibrary.net/download/emir-illustrative-implementation-timeline-update-17175>

¹⁹⁶⁸ Capital treatment of bank exposures to central counterparties - consultative document, Bank for International Settlements (Basel) 28 June 2013. Date of Access: 30 June 2013. <http://www.bis.org/publ/bcbs253.htm>

8. Finance: Systemically Important Financial Institutions

Commitment [#68]

“We reiterate our commitment to strengthen the intensity and effectiveness of the supervision of SIFIs”

Los Cabos Summit Final Declaration

Assessment

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

Background

The G20 has consistently demonstrated its support for the supervision and monitoring of systemically important financial institutions (SIFIs).

The establishment of the Financial Stability Board (FSB) during the 2009 London Summit is perhaps the most significant action that the G20 has taken with respect to increasing supervision and oversight in the global financial landscape.¹⁹⁶⁹

The FSB provides a concrete definition of SIFIs: “financial institutions whose disorderly failure, because of their size, complexity and systemic interconnectedness, would cause significant

¹⁹⁶⁹ Global Plan for Recovery and Reform, G20 Information Centre (Toronto) 2 April 2009. Date of Access 15 December 2012.

<http://www.g20.utoronto.ca/2009/2009communique0402.html>.

disruption to the wise financial system and economic activity.”¹⁹⁷⁰ In the event that these large institutions become susceptible to failure, national governments have no choice but to implement bailouts, or “forestalling the failure of such institutions through public solvency support.”¹⁹⁷¹ As such, G-SIFIs (or Globally Systemically Important Financial Institutions) are understood as “financial institutions that are globally systemic” and whose “failure poses [a significant risk] to the global financial system.”¹⁹⁷²

At the Los Cabos Summit on 19 June 2012, the G20 recognized the progress made in the financial regulatory field and committed to continue making strides for the current compliance cycle.¹⁹⁷³ The Financial Stability Board’s Coordination Framework for Implementation Monitoring (CFIM) provides the basis for analysis by outlining the policy areas in need of reform and providing a timeline detailing when these changes can be realized.

According to the FSB, “additional loss absorbency requirements for global systemically important banks are proposed to be implemented from 2016 to 2019.”¹⁹⁷⁴ In the interim, however, “recommendations regarding resolvability assessments, recovery and resolution plans, and cross-border cooperation agreements are to be implemented from 2012 onwards.”¹⁹⁷⁵ Also included in this area are “recommendations related to supervisory intensity and effectiveness, with various deadlines.”¹⁹⁷⁶ These elements are especially important because the Los Cabos Summit SIFIs commitment outlines these specifically.

On 1 November 2012, the FSB released its *Increasing the Intensity and Effectiveness of SIFI Supervision: Progress Report to the G20 Ministers and Governors*. This document outlines existing restraints to effective supervision of G-SIFIs and presents the progress made so far with respect to monitoring.

¹⁹⁷⁰ G20 Leaders endorse Financial Stability Board policy framework for addressing systemically important financial institutions, Financial Stability Board (Basel) 12 November 2012. Date of Access 15 December 2012.

http://www.financialstabilityboard.org/press/pr_101111a.pdf.

¹⁹⁷¹ Policy Measures to Address Systemically Important Financial Institutions, Financial Stability Board (Basel) 4 November 2012. Date of Access 15 December 2012.

http://www.financialstabilityboard.org/publications/r_111104bb.pdf.

¹⁹⁷² Progress in the Implementation of the G20 Recommendations for Strengthening Financial Stability, Financial Stability Board (Basel) 15 February 2011. Date of Access 15 December 2012.

http://www.financialstabilityboard.org/publications/r_110219.pdf.

¹⁹⁷³ G20 Leaders Declaration, G20 Information Centre (Toronto) 19 June 2012. Date of Access 15 December 2012.

<http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

¹⁹⁷⁴ A Coordination Framework for Monitoring the Implementation of Agreed G20/FSB Financial Reforms, Financial Stability Board (Basel) 18 October 2011. Date of Access 15 December 2012.

http://www.financialstabilityboard.org/publications/r_111017.pdf.

¹⁹⁷⁵ A Coordination Framework for Monitoring the Implementation of Agreed G20/FSB Financial Reforms, Financial Stability Board (Basel) 18 October 2011. Date of Access 15 December 2012.

http://www.financialstabilityboard.org/publications/r_111017.pdf.

¹⁹⁷⁶ A Coordination Framework for Monitoring the Implementation of Agreed G20/FSB Financial Reforms, Financial Stability Board (Basel) 18 October 2011. Date of Access 15 December 2012.

http://www.financialstabilityboard.org/publications/r_111017.pdf.

Commitment Features

This commitment requires members to strengthen both the intensity and effectiveness of SIFIs supervision. Therefore, in order to obtain full compliance, actions taken by members must encompass an increase in both the effectiveness and the intensity of SIFI supervision.

With respect to effective and intense supervision, in its *Progress in the Implementation of the G20 Recommendations for Strengthening Financial Stability* report, the FSB outlined the following recommendations for G20 members:

More rigorous supervision of SIFIs through stronger supervisory mandates, increased resources and powers as well as higher expectations for risk management functions, data aggregation capacities, risk governance and internal controls.

The FSB notes, “While supervision has increased since the crisis, much remains to be done to support continuous improvement in SIFI supervision, in particular of G-SIFIs.”¹⁹⁷⁷ In this respect, the FSB has outlined specific recommendations to increase both the intensity and effectiveness of supervision.

Measures to improve effectiveness include the following:

- “Supervisors should adopt proactive approaches to assess succession planning and set performance expectations for key positions within SIFIs (e.g. CEOs, CROs, Internal Auditors), elements that should no longer be regarded as only internal matters for financial institutions. Firms have robust processes in place to ensure effective talent management and succession planning for leaders of control functions,”¹⁹⁷⁸
- “Supervisors of G-SIFIs need to ensure that the stress testing undertaken for G-SIFIs is comprehensive and commensurate with the risks and complexities of these institutions and should advance further with the implementation of the BCBS Principles for Sound Stress Testing Practices,”¹⁹⁷⁹
- “Supervisors should further explore ways to formally assess risk culture, particularly at G-SIFIs,”¹⁹⁸⁰
- “Supervisory interactions with Boards and senior management should be stepped up, in terms of frequency and level of seniority, as should the assessment of the effectiveness of Boards and senior management,”¹⁹⁸¹

¹⁹⁷⁷ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁷⁸ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁷⁹ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁸⁰ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

Measures to improve intensity include the following:

- “Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. Multi-year resource plans, supervisory training programs, long-term career paths and development of “soft” skills, such as leadership and communication skills, are essential,”¹⁹⁸²
- “Supervisors need to evaluate whether their approach to and methods of supervision remain effective or have, for example, moved too far toward focusing on adequacy of capital and control systems, and away from detailed assessments of sources of profits and financial data,”¹⁹⁸³
- “Supervisors need to consider putting in place additional data management and analysis processes for the information available from a range of sources, such as that collected by trade repositories and other centralised sources of financial data, so that key players in markets and market anomalies are identified.”¹⁹⁸⁴

Scoring Guidelines

-1	Member does not take any action in compliance with the FSB policy measures for more intense AND more effective SIFI supervision.
0	Member takes actions in compliance with the FSB policy measures for more intense SIFI supervision OR more effective SIFI supervision.
+1	Member takes actions in compliance with the FSB policy measures for more intense AND more effective SIFI supervision.

G20 Research Group Chair: Ava-Dayna Sefa

Argentina: -1

Argentina has not complied with its commitment to strengthen the intensity and effectiveness of systemically important financial institutions.

On 5 March 2013 “officials from the International Monetary Fund and the World Bank arrived in Argentina...to evaluate the country’s financial system as part of checkups agreed among Group of 20 nations.”¹⁹⁸⁵

¹⁹⁸¹ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁸² Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁸³ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁸⁴ Increasing the Intensity and Effectiveness of SIFI Supervision, Financial Stability Board (Basel) 1 November 2012. Date of Access 16 December 2012.

http://www.financialstabilityboard.org/publications/r_121031ab.pdf.

¹⁹⁸⁵ IMF, World Bank visit Argentina for financial system checkup, Chicago Tribune (Chicago) 5 March 2013. Date of Access: 1 April 2013. http://articles.chicagotribune.com/2013-03-05/news/sns-rt-us-imf-argentinabre92503t-20130305_1_argentina-financial-sector-assessment-program-world-bank.

As of 28 January 2013, the Financial Stability Board reports that Argentina's Financial System Stability Assessment evaluation has been suspended, but is slated to resume later this year.¹⁹⁸⁶

As Argentina has not released information pertaining to the implementation of concrete initiatives supporting the increase of the effectiveness and intensity of SIFIs supervision, it received a -1.

Analyst: Ava-Dayna Sefa

Australia: +1

Australia has complied with its commitment to strengthen the intensity and effectiveness of the supervision of SIFIs.

The 26 October 2012 Financial System Stability Assessment on Australia published by the International Monetary Fund states that "APRA's notable strengths are demonstrated by its strong risk analysis embedded in the [Probability and Impact Rating System (PAIRS) and Supervisory Oversight And Response System (SOARS)], its focus on bank boards' responsibility for risk management, and its assessment of banks on a system wide basis. APRA's on- and off-site supervision is well planned and executed; credit risk management is well developed." The reports further notes that APRA's approach of explaining bank leaders its expectations through "engagement with bank boards, regular contacts by supervisors and risk specialists, and letters and speeches delivered to the industry [...]has been broadly effective."¹⁹⁸⁷

On systemic oversight, the IMF's Financial System Stability Assessment reports that "Promoting financial stability is also one of APRA's mandates, which is carried out through prudential regulation and supervision. APRA's PAIRS and SOARS system has an element of systemic oversight in that supervisors take a financial institutions' systemic importance into consideration. The system is complemented by APRA's industry risk registers, which identify emerging risks and necessary supervisory actions in each industry."¹⁹⁸⁸

The report further notes, "There is a well-established mechanism for systemic risk identification and monitoring." The Reserve Bank of Australia's half-yearly Financial Stability Review "has been a useful financial stability tool."¹⁹⁸⁹

On crisis management and resolution, the IMF's report states, "Commendable steps have been taken to strengthen the legal framework for bank resolution and crisis management over the last several years." Particularly, a Memorandum of Understanding on "Financial Distress

¹⁹⁸⁶ Participation in FSAPs, Financial Stability Board (Basel) 28 January 2013. Date of Access: 1 April 2013. http://www.financialstabilityboard.org/leading_by_example/participation.htm.

¹⁹⁸⁷ Australia: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.) November 2012. Date of Access: 27 February 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12308.pdf>

¹⁹⁸⁸ Australia: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.) November 2012. Date of Access: 27 February 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12308.pdf>

¹⁹⁸⁹ Australia: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.) November 2012. Date of Access: 27 February 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12308.pdf>

Management among the [Council of Financial Regulators] agencies signed in 2008 facilitates coordinated responses to stress in the financial system.¹⁹⁹⁰

In a November 2012 Technical Note on Australia entitled “Addressing Systemic Risk Through Higher Loss Absorbency,” the International Monetary Fund explains that “To deal with systemic risks, the authorities deploy a multi-pronged approach consisting of risk-based supervision, recovery and resolution planning, and conservative risk weights and definitions of loss-absorbent capital.”¹⁹⁹¹

In a November 2012 technical Note on Australia entitled “Financial Safety Net and Crisis Management Framework,” the International Monetary Fund states that “the Australian authorities have taken commendable steps to strengthen the financial safety net and crisis management framework over the last several years.” It adds that “the Council of Financial Regulators (CFR or Council) [...] facilitates strong coordination and information exchange among the agencies on financial sector policy issues.” The report further states that “The authorities have made good progress in crisis preparedness and should continue planning in this area as a key priority” and “Powers for early intervention in problem banks (including to provide liquidity assistance) and to resolve non-systemic banks appear robust.”¹⁹⁹²

Australia has complied with its commitment to strengthen the intensity and effectiveness of the supervision of SIFIs and has thus been awarded a score of +1.

*Compliance Analyst: Qing Zeng
Compliance Director: Alexandre de Palma*

Brazil: 0

Brazil has partially complied with its commitment to increase in both the effectiveness and the intensity of SIFI supervision.

In its’ 31 July 2012 “Detailed Assessment of Observance of Basel Core Principles for Effective Banking Supervision” report, the International Monetary Fund suggests that Brazil has largely addressed the main recommendations of the 2002 FSAP with respect to banking supervision. The report states, “the Brazilian legal framework provides adequate support for banking supervision. The BCB operates independently and has the authority to resolve weak banks, including their liquidation.”¹⁹⁹³ The report further mentions, “A significant enhancement was made to the banking supervision planning process. The BCB implemented the Annual Program of Supervision (PAS), which encompasses the planning of its activities, among which stands out the SRC. The SRC is a well-structured methodology for identifying and assessing the most relevant

¹⁹⁹⁰ Australia: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.) November 2012. Date of Access: 27 February 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12308.pdf>

¹⁹⁹¹ Australia: Addressing Systemic Risk Through Higher Loss Absorbency— Technical Note, International Monetary Fund (Washington, D.C.) November 2012. Date of Access: 27 February 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12311.pdf>

¹⁹⁹² Australia: Financial Safety Net and Crisis Management Framework— Technical Note, International Monetary Fund (Washington, D.C.) November 2012. Date of Access: 27 February 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12310.pdf>

¹⁹⁹³ Brazil: Detailed Assessment of Observance of Basel Core Principles for Effective Banking Supervision, International Monetary Fund (Washington D.C.) 31 July 2012. Date of Access: 2 January 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12207.pdf>

risks of institutions, as well as the quality of internal controls and risk management systems.”¹⁹⁹⁴ It also explains that “There is a long-standing tradition of independent operation and since the last FSAP the legal protection of the BCB governor and the BCB’s enforcement powers have been strengthened.” On risk management, the report states that “Collection of country risk data has been expanded. [...] Requirements for risk management oversight and structures are comprehensive, include conservative assumptions, and linked to capital adequacy determination. [...]The BCB carries out rigorous, intrusive risk based supervision. Processes are well developed based on extensive information and analytically intensive.” The IMF report explains that “Enforcement powers are broad and have been significantly enhanced with the issuance of Resolution 4019. [...]A number of examples of enforcement cases were reviewed and the proactive nature of the BCB was evident.”¹⁹⁹⁵

The 31 July 2012 “Financial System Stability Assessment” report from the International Monetary Fund suggests that Brazil has made considerable progress toward implementing the recommendations of the initial FSAP to strengthen supervision and regulation, and compliance with international standards is high, especially in banking supervision. The report further explains that “The BCB has tested the BCBS Global-SIBs assessment framework, and is developing its framework for identifying and measuring the risk posed by domestic SIBs with a view to exploring the scope for surcharges once guidelines are issued by the BCBS.” The BCB conducted “Credit risk stress tests [which] suggest that the vast majority of Brazilian banks could withstand extreme shocks, including a severe global recession.” Similarly, “Single factor tests show that concentration risk in credit portfolios is contained, if uneven, as are market and interest rate risks,” while “Liquidity stress tests suggest that the system could withstand substantial stress and contagion through bilateral exposures is limited, although some types of banks appear more vulnerable.” The report further adds that “Since the initial FSAP assessments in 2002, there has been material progress in key areas of financial sector oversight. [...]Most importantly, the approach to regulation and supervision has shifted from a compliance mode to a risk-based approach, with some agencies already very near full compliance with international standards.” When assessing the Institutional Architecture for Financial Stability, the IMF notes that “Brazil has a well-developed architecture for supervisory cooperation and information sharing. [...]The BCB’s broad powers and well-developed banking supervision are reflected in very high compliance with the Basel Core Principles. [...]An extensive quantitative and qualitative review results in a comprehensive understanding of an institution’s risk profile.” On Financial Sector Safety Nets, the IMF concludes that “The Brazilian authorities’ response to spillovers from the global financial crisis was swift, flexible, and effective. [...]However, there is scope to improve the existing financial safety nets to ensure they can cope with future shocks and limit moral hazard in a system that is growing in size and sophistication.. [...]The BCB’s Emergency Liquidity Assistance (ELA) facilities, while well-designed, could be made more effective in practice.”¹⁹⁹⁶

¹⁹⁹⁴ Brazil: Detailed Assessment of Observance of Basel Core Principles for Effective Banking Supervision, International Monetary Fund (Washington D.C.) 31 July 2012. Date of Access: 2 January 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12207.pdf>

¹⁹⁹⁵ Brazil: Detailed Assessment of Observance of Basel Core Principles for Effective Banking Supervision, International Monetary Fund (Washington D.C.) 31 July 2012. Date of Access: 2 January 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12207.pdf>

¹⁹⁹⁶ Brazil: Financial System Stability Assessment, International Monetary Fund (Washington D.C.) 31 July 2012. Date of Access: 2 January 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12206.pdf>

On 21 June 2012, the Central Bank of Brazil and China Banking Regulatory Commission signed a Memorandum of Understanding to enhance the exchange of information relating to the supervision of financial institutions. The goal is to fine-tune the monitoring procedures of Brazilian financial institutions operating in China. The initiative is part of Central Bank's efforts to improve the supervision of the financial system, and is in line with the recommendations of the Basel Committee on Banking Supervision.¹⁹⁹⁷

Brazil has taken steps to increase supervision effectiveness and has thus been awarded a score of 0.

*Compliance Analyst: Yuan Zhang
Compliance Co-director : Alexandre De Palma*

Canada: 0

Canada has partially complied with its commitment to take actions in compliance with the FSB's policy measures for more intense SIFI supervision and more effective SIFI supervision. More specifically, it has taken actions to comply with the effectiveness of supervision.

The Office of the Superintendent of Financial Institutions (OSFI) issued Minimum Continuing Capital and Surplus Requirements Guideline for life insurance companies, which will be effective in January 2013. The guideline sets up minimum and supervisory target capital levels and provides the framework within which OSFI assesses life insurance companies' efforts to maintain adequate capital. The guideline also requires each company to have an appointed actuary who needs to sign and approve that the company has met the requirements in the Guideline¹⁹⁹⁸. In the same time, OSFI issued Minimum Capital Test Guideline for federally regulated property and casualty insurance companies. The Guideline sets up minimum and supervisory target capital standards with a supervisory target capital ratio of 150 per cent and provides framework within which OSFI assess property and casualty companies efforts to maintain adequate capital. OSFI also requires each property and casualty insurance company to establish an internal target capital ratio that is higher than the supervisory ones¹⁹⁹⁹.

On 23 August 2012 "Julie Dickson, the head OSFI, said she is concerned that regulators who are drafting new banking regulations are ignoring the importance of effective supervisory oversight in favour of rewriting global rules."²⁰⁰⁰ According to Dickinson, "stricter rules, like substantially higher capital requirements, can create a false sense of security; an institution will never have

¹⁹⁹⁷ BC assigned a Memorandum of Understanding with China Banking Regulatory Commission, Brazilian Central Bank (Brasilia) 21 June 2012. Date of Access: 1 January 2013.

<http://www.bcb.gov.br/textonoticia.asp?codigo=3580&idpai=NOTICIAS>

¹⁹⁹⁸ Minimum Continuing Capital and Surplus Requirements for Life Insurance Companies, Date of Access: December 2012 <http://www.osfi->

[bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/guidelines/MCCSR2013_e.pdf](http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/guidelines/MCCSR2013_e.pdf)

¹⁹⁹⁹ Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies, Date of Access: December 2012 <http://www.osfi->

[bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/guidelines/mct2013_e.pdf](http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/guidelines/mct2013_e.pdf)

²⁰⁰⁰ OSFI head Julie Dickson puts focus on bank supervision, Globe and Mail (Toronto) 23 August 2012.

Date of Access: 3 March 2013. <http://m.theglobeandmail.com/report-on-business/osfi-head-julie-dickson-puts-focus-on-bank-supervision/article1502406/?service=mobile>.

enough capital if there are material flaws in its risk management practices. That is why supervision matters.”²⁰⁰¹

On 27 December 2012 it was announced that “Canada’s top financial watchdog intends to press the big banks next year on how well prepared they are to deal with so-called “operational risk”—one of the most difficult risks to protect against.”²⁰⁰² However, while OSFI has maintained that a more rigorous stance on supervision in general and operational risk more specifically are in development, no concrete plans have been implemented at this point.

Canada has partially complied with its commitment to take actions in compliance with the FSB policy measures for more intense SIFI supervision and more effective SIFI supervision. More specifically, it has taken actions to comply with the effectiveness of supervision. It has thus been awarded a score of 0.

Analysts: Lucy Lu, Ava-Dayna Sefa

China: 0

China has partially complied with its commitment to increase in both the effectiveness and the intensity of SIFI supervision.

On 19 November 2012, People’s Bank of China has issued the Standard System of Banking Industry, which will improve the internal control and risk management of SIFIs.²⁰⁰³ On 2 November 2012, CBRC released that the Forum on Financial Stability and Prudential Supervision was held recently in Beijing jointly by FSI and CBRC. At the meeting, Mr. Wang, vice chairman of CBRC, emphasized that macro prudential supervision was only one way to maintain the stability of financial system, and that to safeguard the stability and prevent systemic risks, both macro and micro prudential supervision were needed.²⁰⁰⁴

On 15 October 2012, the 6th CBRC-U.S. Banking Supervisors’ Conference was held in the United States of America on October 15, 2012. Assistant Chairman Yan Qingmin, leading senior officials from the CBRC, met with representatives from the Fed, the OCC, the FDIC, the Fed of New York and the Fed of San Francisco to exchange views on the following issues: (1) major risks in the respective banking sector; (2) supervisory policies for SIFIs and community banks;

²⁰⁰¹ OSFI head Julie Dickson puts focus on bank supervision, Globe and Mail (Toronto) 23 August 2012. Date of Access: 3 March 2013. <http://m.theglobeandmail.com/report-on-business/osfi-head-julie-dickson-puts-focus-on-bank-supervision/article1502406/?service=mobile>.

²⁰⁰² Canada’s bank regulator targets ‘operational risk’ in 2013, Wall Street Journal (New York) 27 December 2012. Date of Access: 3 March 2013. <http://blogs.wsj.com/canadarealtime/2012/12/27/canadas-bank-regulator-targets-operational-risk-in-2013/>

²⁰⁰³ People’s Bank of China released Standard System of Banking Industry, People’s Bank of China (Beijing) 19 November 2012. Date of Access: 28 December 2012. http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2012/20121129111204972130468/20121129111204972130468_.html

²⁰⁰⁴ FSI and CBRC jointly held Forum on Financial Stability and Prudential Supervision, China Banking Regulatory Commission (Beijing) 2 November 2012. Date of Access: 1 January 2012. <http://www.cbrc.gov.cn/EngdocView.do?docID=9518D7F69A944F95B24121E5BE420BBB>

(3) implementation of the new international regulatory standards; and (4) cross-border supervisory cooperation.²⁰⁰⁵

On 17 September 2012, the State Council approved the Twelfth Five-Year Plan for Financial Sector Development and Reform. The plan expounds on the guiding principles, main objectives and policy measures for financial sector development and reform, highlighting the improvement of macro financial management, the safeguard of financial stability, the strengthening of financial infrastructure, and the risk management capacity of financial institutions.²⁰⁰⁶

The CBRC has connected the crime prevention, internal control and corporate operation via methods of capital management and permission thresholds. The weakness of internal control of financial institutions was exposed in 2012, due to which Shang Fulin, chairman of CBRC, repeatedly emphasized supervision on operational risk of banks in the first three quarters of 2012. The measures adopted by CBRC will make sure that the innovative business of banks will be restricted by supervisory bureaus, once serious cases occur.²⁰⁰⁷

Analyst: Yuan Zhang

France: 0

France has partially complied with its commitment to increase effectiveness and intensity of supervision.

In its 21 December 2012 Financial System Stability Assessment for France, the International Monetary Fund states that “France has a high level of compliance with the Basel Core Principles for Effective Banking Supervision (BCPs). ACP’s supervisory practices are of a very high standard, incorporating many high-quality processes.” However, “While the intention clearly is for ACP to be independent, certain aspects of the current arrangements have the potential to undermine this objective.” The report further notes that “The legislative framework is broadly sound, but two deficiencies could hamper supervisory effectiveness. One is lack of a complete legislative framework related to ACP’s powers to regulate the responsibilities of the banks’ Board of Directors, as distinct from senior management. [...] The possibility of effective early intervention and the ability to assess whether the Board of Directors of an institution has sound knowledge of the business and risks of a bank is weakened. The second legal issue is that ACP does not have the formal power to approve acquisitions by French banks when the target acquisition is outside France. This can undermine the effectiveness of ACP’s otherwise rigorous practice of consolidated supervision.” Furthermore, “Certain aspects of the new structure raise

²⁰⁰⁵ The 6th CBRC-U.S. Banking Supervisors’ Conference was held in the United States of America, China Banking Regulatory Commission (Beijing) 15 October 2012. Date of Access: 1 January 2012. Date of Access: 29 December 2011.

<http://www.cbrc.gov.cn/EngdocView.do?docID=DC784005AB6E483CB1C7C74052592067>

²⁰⁰⁶ The PBC released the 12th Five-Year Plan for the Financial Industry, The People’s Bank of China (Beijing) 17 September 2012. Date of Access: 1 January 2012.

http://www.pbc.gov.cn/publish/english/955/2012/20120926145631142409624/20120926145631142409624_.html

²⁰⁰⁷ Supervision on Intra-system Risk Transmission Will be Intensified in the Coming Year, Economic Information China Edition 26 December 2012. Date of Access: 3 January 2012.

http://www.jjckb.cn/2012-12/26/content_420468.htm

concerns about potential independence, sound governance, and access to adequate resources for the supervisor, though there is no evidence of problems to date.”²⁰⁰⁸

On Capital Requirements, the IMF’s report notes that “While capital requirements are in many ways prudent and appropriate, there are a few areas where current capital regulations in France, pursuant to EU capital rules, fall short of the applicable Basel standards.”²⁰⁰⁹

Regarding Crisis Management and Safety Nets, the report considers that “Already before the crisis, France had a comprehensive framework for crisis management and bank resolution, which has allowed the authorities to deal with problem financial institutions effectively (Box 5). With some exceptions, the framework contains the instruments and measures that now constitute international best practices.” The report further notes that “Progress is well underway on preparation of recovery and resolution plans (RRPs) for the large banks.” Regarding the role of the central bank, the IMF notes, “As expected, the specific and only role of BdF in the safety net is the provision of liquidity through standing or extraordinary facilities. All liquidity provision is subject to the rules and restrictions of the Eurosystem.” While “Coordination in monitoring of financial stability and in the prevention and management of crises is likely to be facilitated by the structural relationships between the relevant authorities. [...] Accountability and transparency could be increased.”²⁰¹⁰

France has taken steps to increase supervision effectiveness and has thus been awarded a score of 0.

Compliance Director: Alexandre de Palma

Germany: 0

Germany has partially complied with its commitment to strengthen the intensity and effectiveness of the supervision of systemically important financial institutions.

In November 2012 the Financial Stability Board released its Resolution of Systemically Important Financial Institutions progress report. The FSB maintains that the German government enacted reforms “that strengthened and expanded crisis management and resolution powers.”²⁰¹¹ Among these reforms were the “transfer and bridge bank powers, the establishment of a special restructuring fund, and the introduction of a two-stage recovery and reorganization procedure for

²⁰⁰⁸ France: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.), 21 December 2012. Date of Access: 03 March 2012.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12341.pdf>

²⁰⁰⁹ France: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.), 21 December 2012. Date of Access: 03 March 2012.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12341.pdf>

²⁰¹⁰ France: Financial System Stability Assessment, International Monetary Fund (Washington, D.C.), 21 December 2012. Date of Access: 03 March 2012.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12341.pdf>

²⁰¹¹ Resolution of systemically important financial institutions, Financial Stability Board (Basel) 2 November 2012. Date of Access: 3 March 2013.

http://www.financialstabilityboard.org/publications/r_121031aa.pdf

banks.”²⁰¹² These reforms encompass the increase in the effectiveness of SIFIs supervision as outlined by the Financial Stability Board.

On 13 December 2012, the German government played an integral role when European leaders gathered in Brussels and “reached an agreement to place euro zone banks under a single supervisor.”²⁰¹³ German Chancellor Angela Merkel, along with French President Francois Hollande made significant compromises to ensure the supervision of 100 to 200 banks in the Eurozone under the auspices of the European Central Bank.²⁰¹⁴ The agreement is of particular significance since previous talks “broke because of French and German discord over how many banks in the currency union should be covered by the new system.”²⁰¹⁵

Thus Germany has been awarded a 0 for its enhancement of the effectiveness of SIFIs supervision.

Analyst: Ava-Dayna Sefa

India: 0

India has partially complied with its commitment to strengthen the intensity and effectiveness of the supervision of systemically important financial institutions.

On 15 January 2013, the IMF released its Financial System Stability Assessment Update for India and stated, “India has made remarkable progress toward fostering a stable and well-developed financial system.”²⁰¹⁶ According to the IMF, “commercial banks [in India] are well positioned to withstand a range of severe shocks.”²⁰¹⁷ However, the IMF makes specific recommendations to the Indian government with regards to strengthening the financial infrastructure. These include: “enhance the effectiveness of the financial sector supervisory regime and ensure that India Post is adequately supervised; and enhance the effectiveness of the suspicious transactions reporting regime.”²⁰¹⁸

²⁰¹² Resolution of systemically important financial institutions, Financial Stability Board (Basel) 2 November 2012. Date of Access: 3 March 2013.

http://www.financialstabilityboard.org/publications/r_121031aa.pdf

²⁰¹³ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰¹⁴ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰¹⁵ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰¹⁶ Resolution of Systemically Important Financial Institutions, International Monetary Fund (Washington) 15 January 2013. Date of Access: 5 April 2013. <http://www.imf.org/external/pubs/ft/scr/2013/cr1308.pdf>

²⁰¹⁷ Resolution of Systemically Important Financial Institutions, International Monetary Fund (Washington) 15 January 2013. Date of Access: 5 April 2013. <http://www.imf.org/external/pubs/ft/scr/2013/cr1308.pdf>

²⁰¹⁸ Resolution of Systemically Important Financial Institutions, International Monetary Fund (Washington) 15 January 2013. Date of Access: 5 April 2013. <http://www.imf.org/external/pubs/ft/scr/2013/cr1308.pdf>

On 22 March 2013 “the Financial Sector Legislative Reforms Commission (FSLRC), set up two years ago to rewrite and review financial sector laws that have become out-dated or obsolete, submitted its final report to the finance ministry.”²⁰¹⁹ The report is presented in two volumes: the first featuring analysis and recommendations, and the second a comprehensive draft of the Indian Financial Code. The report calls “for unifying the Securities and Exchange Board of India (Sebi), Pension Fund Regulatory and Development Authority (PFRDA), Insurance Regulatory and Development Authority (Irda) and Forward Markets Commission (FMC) into a single regulator.”²⁰²⁰ It is estimated that “the government may take at least two years to implement the proposed reforms and probably they will get it done in a phased manner.”²⁰²¹

Thus India has been awarded a 0 for its enhancement of the effectiveness of SIFIs supervision.

Analyst: Ava-Dayna Sefa

Indonesia: 0

Indonesia has partially complied with its commitment to increase effectiveness and intensity of supervision.

In its 18 July 2012 Financial Sector Assessment Program report, the IMF explains, “The responsibility for supervising the financial sector in Indonesia is shared largely between two institutions. The responsibilities and objectives of each of the authorities are clearly defined in the relevant legislation. BI, the central bank, has authority to regulate and supervise the banking sector, and Bapepam-LK is authorized to regulate and supervise the leasing and finance companies, insurance companies, pension funds, and securities companies.” It further adds, “BI’s independence is contained in the BI Act, which also requires annual disclosure to the public along with intended goals and financial reporting. Though BI’s operational budget needs parliamentary approval, it does not appear to be constrained in performing its regulatory or supervisory functions. The BI has sufficient powers to ensure compliance with laws, regulations, prudential standards, and guidelines.”²⁰²²

On Crisis Management and Public Safety Nets, the IMF concludes that “BI and the Deposit Insurance Corporation (LPS) have strived to set up mechanisms to provide appropriate safety nets, [...]In the light of its past experience, Indonesia has been developing a crisis management framework for dealing with financial sector crises.”²⁰²³

²⁰¹⁹ Financial sector legislative reforms committee (FSLRC) moots 2-regulator structure, DNA India (Mumbai) 23 March 2013. Date of Access: 5 April 2013. <http://www.dnaindia.com/money/1814590/report-financial-sector-legislative-reforms-committee-fslrc-moots-2-regulator-structure>

²⁰²⁰ Financial sector legislative reforms committee (FSLRC) moots 2-regulator structure, DNA India (Mumbai) 23 March 2013. Date of Access: 5 April 2013. <http://www.dnaindia.com/money/1814590/report-financial-sector-legislative-reforms-committee-fslrc-moots-2-regulator-structure>

²⁰²¹ Financial sector legislative reforms committee (FSLRC) moots 2-regulator structure, DNA India (Mumbai) 23 March 2013. Date of Access: 5 April 2013. <http://www.dnaindia.com/money/1814590/report-financial-sector-legislative-reforms-committee-fslrc-moots-2-regulator-structure>

²⁰²² Indonesia: Financial Sector Assessment Program— Basel Core Principles Assessment—Detailed Assessment of Compliance, International Monetary Fund (Washington,D.C.) 18 December 2012. Date of Access: 03 March 2013. <http://www.imf.org/external/pubs/cat/longres.aspx?sk=40170.0>

²⁰²³ Indonesia: Financial Sector Assessment Program— Basel Core Principles Assessment—Detailed Assessment of Compliance, International Monetary Fund (Washington,D.C.) 18 December 2012. Date of Access: 03 March 2013. <http://www.imf.org/external/pubs/cat/longres.aspx?sk=40170.0>

The intensity of supervision has been improved as “The BI has succeeded in effectively addressing some of the shortcomings that prevailed in the banking system in the late 1990s. It has also consciously focused on improving staff competency which has helped it to establish credibility among the banking community in Indonesia.”²⁰²⁴

On international regulatory cooperation, the IMF regrets that “The lack of appropriate gateways for information exchanges with domestic and foreign supervisory authorities is an impediment to BI discharging its legal responsibilities of regulating and supervising the banking system.”²⁰²⁵

Indonesia has taken steps to increase supervision effectiveness and has thus been awarded a score of 0.

Compliance Director: Alexandre de Palma

Italy: 0

Italy has made progress toward complying with its commitment to strengthen both the intensity and effectiveness of the supervision of SIFIs.

Italy has partially complied with its commitment to strengthen the intensity and effectiveness of the supervision of systemically important financial institutions.

On 26 March 2013, the IMF stated, “Italy’s banks have overcome shocks and even raised additional capital and boosted domestic deposits.”²⁰²⁶ However, “while they have stabilized, the Italian banking system is not immune from risks.”²⁰²⁷ In terms of risk management, Italy “has an effective framework for crisis management and bank resolution...although that should be enhanced...to allow greater flexibility.”²⁰²⁸

On 11 March 2013, as part of a comprehensive evaluation of Italy’s twenty largest banks, the Italian central bank is pressuring Italian lenders to report surges in provisioning as part of fourth-

²⁰²⁴ Indonesia: Financial Sector Assessment Program— Basel Core Principles Assessment—Detailed Assessment of Compliance, International Monetary Fund (Washington,D.C.) 18 December 2012. Date of Access: 03 March 2013. <http://www.imf.org/external/pubs/cat/longres.aspx?sk=40170.0>.

²⁰²⁵ Indonesia: Financial Sector Assessment Program— Basel Core Principles Assessment—Detailed Assessment of Compliance, International Monetary Fund (Washington,D.C.) 18 December 2012. Date of Access: 03 March 2013. <http://www.imf.org/external/pubs/cat/longres.aspx?sk=40170.0>.

²⁰²⁶ IMF says Italy banks must bolster provisions, Fox Business (New York) 26 March 2013. Date of Access: 3 April 2013. <http://www.foxbusiness.com/news/2013/03/26/imf-says-italy-banks-must-bolster-provisions/>

²⁰²⁷ IMF says Italy banks must bolster provisions, Fox Business (New York) 26 March 2013. Date of Access: 3 April 2013. <http://www.foxbusiness.com/news/2013/03/26/imf-says-italy-banks-must-bolster-provisions/>

²⁰²⁸ IMF says Italy banks must bolster provisions, Fox Business (New York) 26 March 2013. Date of Access: 3 April 2013. <http://www.foxbusiness.com/news/2013/03/26/imf-says-italy-banks-must-bolster-provisions/>

quarter earnings reports.²⁰²⁹ The central bank has stated, “banks that have failed to allow for adequate provisions will be asked to make a ‘rapid intervention’.”²⁰³⁰

Thus Italy has been awarded a 0 for its enhancement of the intensity of SIFIs supervision.

Analyst: Ava-Dayna Sefa

Japan: +1

Japan has fully complied with its commitment to increase effectiveness and intensity of supervision.

In the August 2012 Financial Sector Stability Assessment Update on Japan, the International Monetary Fund notes, on systemic risk, that “The BOJ’s semi-annual FSR [Financial Stability Review] represents a key component of the authorities’ macrofinancial surveillance. The FSR casts a wide surveillance net, with extensive reviews of financial and economic developments, both domestic and overseas, and is supported by a relatively deep analytical foundation, including stress tests.” However, “The current oversight framework operates in the absence of a dedicated financial stability committee or council to assist in macroprudential decision-making and coordination outside crisis periods.”²⁰³¹

The IMF further considers that “The banking supervisory framework is largely compliant with the Basel Core Principles” even though “A key challenge ahead is the need to recalibrate certain prudential requirements.” The IMF considers “important to enhance the prudential regime with regard to [...] Capital requirements, [...] Sanction powers, [...] and] Concentration risk limits.” Furthermore, “The overall supervisory approach could also be more closely aligned with the profile of systemic risk.”²⁰³²

On Crisis Preparedness and Resolution, the IMF considers that “Japan has developed a robust and time-tested crisis management framework.” The IMF states that “The BOJ has wide ranging powers to provide liquidity to both bank and nonbank financial institutions. Standing facilities for the supply of liquidity are available to both banks and those broker/dealers that transact and hold accounts with the central bank.” Regarding crisis resolution, the report states that “The authorities are working closely with other countries to improve arrangements for collectively resolving cross-border problems. They are preparing “recovery and resolution” plans (RRPs) for Japan’s three global SIFIs, and examining their extension to a wider range of domestic financial institutions.” The report further explains that “The coverage of Japan’s financial safety net for depositors, investors and insurance policy holders seems broadly appropriate, but there are some gaps.¹⁸ The DICJ has been provided with an array of resolution tools, but the fact that its board

²⁰²⁹ Italian banks urged to boost provisions, Financial Times (New York) 11 March 2013. Date of Access: 3 April 2013. <http://www.ft.com/intl/cms/s/0/90def058-8a6a-11e2-bf79-00144feabdc0.html#axzz2Pk7F3ZFd>.

²⁰³⁰ Italian banks urged to boost provisions, Financial Times (New York) 11 March 2013. Date of Access: 3 April 2013. <http://www.ft.com/intl/cms/s/0/90def058-8a6a-11e2-bf79-00144feabdc0.html#axzz2Pk7F3ZFd>.

²⁰³¹ Japan: Financial Sector Stability Assessment Update, International Monetary Fund (Washington, D.C.) 01 August 2012. Date of Access: 03 March 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12210.pdf>

²⁰³² Japan: Financial Sector Stability Assessment Update, International Monetary Fund (Washington, D.C.) 01 August 2012. Date of Access: 03 March 2013. <http://www.imf.org/external/pubs/ft/scr/2012/cr12210.pdf>.

members currently include representatives of banking associations gives the appearance of conflicts of interest.”²⁰³³

On intensity, the IMF noted that “The FSA needs additional resources and skills to undertake thematic risk assessments (across types of financial institutions) on a regular basis, and deepen its oversight of nonbanks.”²⁰³⁴

In its 10 August 2012 report entitled “Japan: Basel Core Principles for Effective Banking Supervision — Detailed Assessment of Compliance,” the International Monetary Fund notes that “Close domestic coordination among the above agencies is required for effective macro prudential policy making. As the FSA, MOF, and BOJ frequently exchange information at multiple levels and there are also several councils covering various aspects of financial system policies, the lack of MOUs is not a major obstacle to effective cooperation.” It further notes that “As regards crisis management, the Financial System Management Council (FSMC) is activated when government intervention in a troubled financial institution is necessary.” On system-wide risk assessment practices, the IMF explains that “As regards the financial system as a whole, BOJ analyzes and assesses risks in the entire financial system and releases its findings in the Financial System Report (FSR) semi-annually.”²⁰³⁵

The IMF report explains that “The assessors concluded that in general the mandates for supervision are sufficiently clear and unambiguous. [...]The institutional framework for supervision in Japan provides sufficient safeguards for the supervisor’s independence in its day-to-day supervision.” However, on international supervisory cooperation, the IMF notes that “Predominantly informal arrangements exist for the cooperation between the FSA and BOJ and with foreign supervisory authorities. The cooperation between the Japanese authorities should further be intensified.”²⁰³⁶

On 30 June 2012, the Financial Services Agency “extended the flexible treatment of the capital adequacy requirement for banks that focus on domestic operations through March 30, 2014.”¹ In attempting to allow for greater ease of financing and borrowing for small and medium-sized firms, the Bank of Japan established and implemented a funds-provisioning measure that would strengthen the foundations for economic growth as well as establish credit lines for asset-based lending.²

In addition, the FSA announced on 7 August 2012 that a new draft has been developed on the issue of prompt corrective actions, guidelines for supervision and revisions of ministerial ordinances. This follows the “amendment to administrative notice on capital adequacy rules for internationally active banks based on Basel III.”³

²⁰³³ Japan: Financial Sector Stability Assessment Update, International Monetary Fund (Washington, D.C.) 01 August 2012. Date of Access: 03 March 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12210.pdf>.

²⁰³⁴ Japan: Financial Sector Stability Assessment Update, International Monetary Fund (Washington, D.C.) 01 August 2012. Date of Access: 03 March 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12210.pdf>.

²⁰³⁵ Japan: Basel Core Principles for Effective Banking Supervision - Detailed Assessment of Compliance, International Monetary Fund (Washington, D.C.), 10 August 2012. Date of Access: 02 March 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12231.pdf>

²⁰³⁶ Japan: Basel Core Principles for Effective Banking Supervision - Detailed Assessment of Compliance, International Monetary Fund (Washington, D.C.), 10 August 2012. Date of Access: 02 March 2013.

<http://www.imf.org/external/pubs/ft/scr/2012/cr12231.pdf>

The Bank of Japan has stated that in order for Japanese financial institutions to maintain smooth financial intermediation while at the same time being able to mitigate and respond to stresses on both the global and national economy, three major issues must be faced: (1) Enhancing the effectiveness of risk management; (2) Strengthening capital bases; and (3) Constructing stable profit bases. According to the Bank of Japan, it will continue to conduct on-site examinations and off-site monitoring⁴, participate in international discussions and continue to hold seminars at the Bank's Center for Advanced Financial Technology.⁵

Japan has fully complied with its commitment to increase effectiveness and intensity of supervision and has thus been awarded a score of +1.

Analyst: Filip Kedzior
Compliance Co-director: Alexandre De Palma

Korea: +1

As of this moment, Korea is currently on track in its compliance with FSB policy measures in more intense and more effective SIFI supervision. The Bank of Korea has developed several measures when responding to increasing uncertainties nationally and abroad that would continue to actively provide stability in its financial system.

On 13 July 2012, the Bank of Korea invested 135 billion won into the Korea Housing Finance Corporation (KHFC) in efforts of improving the household debt structure as well as provide for greater fixed-rate home mortgage loans for securitization.²⁰³⁷ In addition, the Bank of Korea has implemented a measure using its Aggregate Credit Ceiling Loan System to support small businesses as well “to encourage financial institutions to extend unsecured loans to SMEs lacking sufficient collateral.” With this, the “Special Financial Support Ceiling for Small Business Owners” was introduced in October 2012.²⁰³⁸

In dealing with global and national financial insecurity and possible market disruptions, Korea has introduced an immediate response system that will monitor macro-economic conditions and prepare necessary countermeasures while maintaining cooperative relationships with the government, banks and other organizations.²⁰³⁹

In June 2012, Korea has increased its foreign currency deposits in order to maintain the stability of its banks.⁴ In addition, the Bank of Korea conducts “joint examinations with the Financial Supervisory Service, enabling it to analyze financial sector soundness in-depth, and has made efforts to reflect the results of this analysis in its policies.”²⁰⁴⁰ The managerial soundness of NH Bank and Standard Chartered Bank Korea are included in its analysis.

The BOK will continue to strengthen its capacity to issue early warnings in a timely manner by way of in-depth analysis and evaluation of systemic risk factors in the economy. In particular, the bank intends to enhance its efforts to identify financial system risks, through in-depth analysis of

²⁰³⁷ Financial Stability Report, Bank of Korea (Seoul) October 2012. Date of Access: 27 December 2012. http://www.centerforfinancialstability.org/fsr/kor_fsr_201210.pdf

²⁰³⁸ Financial Stability Report, Bank of Korea (Seoul) October 2012. Date of Access: 27 December 2012. http://www.centerforfinancialstability.org/fsr/kor_fsr_201210.pdf.

²⁰³⁹ Financial Stability Report, Bank of Korea (Seoul) October 2012. Date of Access: 27 December 2012. http://www.centerforfinancialstability.org/fsr/kor_fsr_201210.pdf.

²⁰⁴⁰ Financial Stability Report, Bank of Korea (Seoul) October 2012. Date of Access: 27 December 2012. http://www.centerforfinancialstability.org/fsr/kor_fsr_201210.pdf.

micro-economic data obtained from financial institutions in the course of its joint examinations of them. The BOK will also work to strengthen its implementation of macro-prudential policy, by establishing a system for close cooperation with other policy authorities and through the development of more efficient policy tools.²⁰⁴¹

Thus, Korea has been awarded a score of +1 in its compliance of more intense and effective SIFI supervision as proposed by the FSB.

Analyst: Filip Kedzior

Mexico: 0

Mexico has partially complied with its commitment to strengthen the intensity and effectiveness of the supervision of systemically important financial institutions (SIFIs). It has enacted a new law pertaining to the supervision of financial institutions, but the law has yet to pass the legislature and come into force.

On 25 October 2012, President Felipe Calderón presented the Mexican Senate with a proposal for a new and comprehensive law for the regulation and supervision of financial institutions. The proposed legislation has as its objective, the strengthening of the regulation of financial institutions in Mexico, so that they may conform to the highest international standards.²⁰⁴² The law would make financial institutions declare their financial situation to determine whether or not they are at risk of bankruptcy or exposed in other ways that would necessitate a government bailout to avoid a financial disaster and to protect the public's investments.²⁰⁴³

Financial institutions, under the scope of the new law, would need to be sufficiently solvent in relation to their responsibilities and to the risks to which they are exposed — particularly risks inherent to firms' specific operations — so that they are able to adequately fulfill their obligations to their clients.²⁰⁴⁴ Moreover, financial institutions would be required to develop their investment strategies with clear objectives, with the goal of remaining solvent.²⁰⁴⁵ Furthermore, financial

²⁰⁴¹ Financial Stability Report, Bank of Korea (Seoul) October 2012. Date of Access: 27 December 2012. http://www.centerforfinancialstability.org/fsr/kor_fsr_201210.pdf.

²⁰⁴² Dictamen correspondiente a la Iniciativa de Decreto por el que se expide la Ley de Instituciones de Seguros y Fianzas y se reforman y adicionan diversas disposiciones de la Ley Sobre el Contrato de Seguro, Senado de la República, Estados Unidos Mexicanos (Mexico) 11 December 2012. Date of Access: 7 January 2013.

www.senado.gob.mx/sgsp/gaceta/62/1/2012-12-13-1/assets/documentos/Dictamen_LEY_INSTITUCIONES.pdf

²⁰⁴³ Calderón presenta iniciativa de ley para seguros, El Economista (Mexico) 25 October 2012. Date of Access: 3 January 2013.

<http://eleconomista.com.mx/finanzas-publicas/2012/10/25/calderon-envia-senado-nueva-ley-seguros>

²⁰⁴⁴ Calderón presenta iniciativa de ley para seguros, El Economista (Mexico) 25 October 2012. Date of Access: 3 January 2013.

<http://eleconomista.com.mx/finanzas-publicas/2012/10/25/calderon-envia-senado-nueva-ley-seguros>

²⁰⁴⁵ Senado aprueba ley de seguros y fianzas, El Universal (Mexico) 14 December 2012. Date of Access: 3 January 2013.

<http://www.eluniversal.com.mx/finanzas/99489.html>

firms must hold a determined amount of capital²⁰⁴⁶ in order to weather exposure, market forces, unforeseen contingencies, and liquidity crises — in other words, they must be able to handle situations that would otherwise render these firms insolvent and threaten financial stability.²⁰⁴⁷

Additionally, the proposed law would regulate the organization, operation, and functioning of financial firms, as well as what activities these firms can engage in. The law would also subject financial institutions to annual stress and solvency tests in order to evaluate the adequacy of their level of capital and whether it is enough to handle vastly different scenarios, with the additional goal of identifying and correcting flaws as well as mitigating risk.²⁰⁴⁸

Under the proposed law, financial firms will be required to have at least one qualification that is above the standards determined by supervisory bodies.²⁰⁴⁹ On top of governmental supervision, institutions will be required to develop internal supervisory bodies to ensure that each firm is well capitalized.²⁰⁵⁰ Additionally, institutions will be required to consider their individual risk profiles, as well as market conditions, so that they may strengthen their individual risk management.²⁰⁵¹ On top of that, the new legislation would also require financial entities to strengthen their corporate governance by being more transparent by disclosing their risk profile.²⁰⁵²

Lastly, the legislation redefines the faculties of the National Sureties and Insurance Commission, so that it may focus on supervising, with greater emphasis, on the proper administration of risk

²⁰⁴⁶ Dictamen correspondiente a la Iniciativa de Decreto por el que se expide la Ley de Instituciones de Seguros y Fianzas y se reforman y adicionan diversas disposiciones de la Ley Sobre el Contrato de Seguro, Senado de la República, Estados Unidos Mexicanos (Mexico) 11 December 2012. Date of Access: 7 January 2013.

www.senado.gob.mx/sgsp/gaceta/62/1/2012-12-13-1/assets/documentos/Dictamen_LEY_INSTITUCIONES.pdf

²⁰⁴⁷ Calderón presenta iniciativa de ley para seguros, *El Economista* (Mexico) 25 October 2012. Date of Access: 3 January 2013.

<http://eleconomista.com.mx/finanzas-publicas/2012/10/25/calderon-envia-senado-nueva-ley-seguros>

²⁰⁴⁸ Calderón presenta iniciativa de ley para seguros, *El Economista* (Mexico) 25 October 2012. Date of Access: 3 January 2013.

<http://eleconomista.com.mx/finanzas-publicas/2012/10/25/calderon-envia-senado-nueva-ley-seguros>

²⁰⁴⁹ Calderón presenta iniciativa de ley para seguros, *El Economista* (Mexico) 25 October 2012. Date of Access: 3 January 2013.

<http://eleconomista.com.mx/finanzas-publicas/2012/10/25/calderon-envia-senado-nueva-ley-seguros>

²⁰⁵⁰ Dictamen correspondiente a la Iniciativa de Decreto por el que se expide la Ley de Instituciones de Seguros y Fianzas y se reforman y adicionan diversas disposiciones de la Ley Sobre el Contrato de Seguro, Senado de la República, Estados Unidos Mexicanos (Mexico) 11 December 2012. Date of Access: 7 January 2013.

www.senado.gob.mx/sgsp/gaceta/62/1/2012-12-13-1/assets/documentos/Dictamen_LEY_INSTITUCIONES.pdf

²⁰⁵¹ Dictamen correspondiente a la Iniciativa de Decreto por el que se expide la Ley de Instituciones de Seguros y Fianzas y se reforman y adicionan diversas disposiciones de la Ley Sobre el Contrato de Seguro, Senado de la República, Estados Unidos Mexicanos (Mexico) 11 December 2012. Date of Access: 7 January 2013.

www.senado.gob.mx/sgsp/gaceta/62/1/2012-12-13-1/assets/documentos/Dictamen_LEY_INSTITUCIONES.pdf

www.senado.gob.mx/sgsp/gaceta/62/1/2012-12-13-1/assets/documentos/Dictamen_LEY_INSTITUCIONES.pdf

²⁰⁵² BOLETÍN-0702 Aprueba Senado Nueva Ley de Seguros y Fianzas, Senado de la República, Estados Unidos Mexicanos (Mexico) 13 December 2012. Date of Access: 7 January 2013.

comunicacion.senado.gob.mx/index.php/periodo-ordinario/boletines/4965-boletin-0702-aprueba-senado-nueva-ley-de-seguros-y-fianzas.html

among financial institutions.²⁰⁵³ The law would allow the authorities to forbid or limit the acquisition of instruments that represent excessive risk for institutions, allowing authorities to act on situations that merit intervention in order to protect the financial system.²⁰⁵⁴ The law also holds that firms that fail to comply with the new regulations and requirements will face sanctions and possible revocation of their licence to operate.²⁰⁵⁵

On 13 December 2012, the Senate held a vote on the proposed legislation and approved it unanimously.²⁰⁵⁶ According to the Senate, the law will allow for a quick response to situations that threaten financial stability, and will help avert crises, as authorities will be able to intervene promptly, thus helping to ameliorate situations that may otherwise lead to greater financial problems.²⁰⁵⁷

Following Senate approval, Senator Alejandro Tello stated that the legislation “harmonizes the interests of the involved parties, as it strengthens solvency requirements, the governing of financial firms, and the transparency of information.” Senator Carlos Mendoza Davis welcomed the approval of the law by the senate, as the financial sector in Mexico has grown to be very important throughout the last decade, as it impacts the market and the economy in very influential ways. Due to the importance of the financial sector, Davis and his colleagues have lauded the new law as a crucial “advance towards a normative framework that is efficient and competent.”²⁰⁵⁸

Although the proposed legislation has gained Senate approval, it still requires approval from the lower house in Mexico’s Congress, the Chamber of Deputies, thus the legislation has yet to be approved into law.

Thus, Mexico has taken steps to improve the effectiveness and intensity of the supervision of SIFIs and has thus been awarded a score of 0.

Analyst: David Gelles

²⁰⁵³ BOLETÍN-0702 Aprueba Senado Nuevo Ley de Seguros y Fianzas, Senado de la República, Estados Unidos Mexicanos (Mexico) 13 December 2012. Date of Access: 7 January 2013. comunicacion.senado.gob.mx/index.php/periodo-ordinario/boletines/4965-boletin-0702-aprueba-senado-nueva-ley-de-seguros-y-fianzas.html

²⁰⁵⁴ BOLETÍN-0702 Aprueba Senado Nuevo Ley de Seguros y Fianzas, Senado de la República, Estados Unidos Mexicanos (Mexico) 13 December 2012. Date of Access: 7 January 2013. comunicacion.senado.gob.mx/index.php/periodo-ordinario/boletines/4965-boletin-0702-aprueba-senado-nueva-ley-de-seguros-y-fianzas.html

²⁰⁵⁵ Senado aprueba ley de seguros y fianzas, El Universal (Mexico) 14 December 2012. Date of Access: 3 January 2013. <http://www.eluniversal.com.mx/finanzas/99489.html>

²⁰⁵⁶ BOLETÍN-0702 Aprueba Senado Nuevo Ley de Seguros y Fianzas, Senado de la República, Estados Unidos Mexicanos (Mexico) 13 December 2012. Date of Access: 7 January 2013. comunicacion.senado.gob.mx/index.php/periodo-ordinario/boletines/4965-boletin-0702-aprueba-senado-nueva-ley-de-seguros-y-fianzas.html

²⁰⁵⁷ BOLETÍN-0702 Aprueba Senado Nuevo Ley de Seguros y Fianzas, Senado de la República, Estados Unidos Mexicanos (Mexico) 13 December 2012. Date of Access: 7 January 2013. comunicacion.senado.gob.mx/index.php/periodo-ordinario/boletines/4965-boletin-0702-aprueba-senado-nueva-ley-de-seguros-y-fianzas.html

²⁰⁵⁸ Senado aprueba ley de seguros y fianzas, El Universal (Mexico) 14 December 2012. Date of Access: 3 January 2013. <http://www.eluniversal.com.mx/finanzas/99489.html>

Russia: 0

Russia has partially complied with its commitment on strengthening the intensity and effectiveness of the supervision of SIFIs.

On 1 November 2012, the Russian Central Bank Board of Directors approved Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015. According to the Guidelines, in 2013 Russian Central Bank will make proposals on establishing the regulatory system for national systemically important banks. Stability of such banks will become a focus of supervisory policies. Additional supervisory and regulatory mechanisms will be introduced taking into account international practices.²⁰⁵⁹

In November 2012, Russian Central Bank established the Systemically Important Banks Department within its structure.²⁰⁶⁰

On 29 December 2012, Russian Central Bank recommended that all banks, particularly systemically important, had recovery plans in place, which is provided for by the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions.²⁰⁶¹

On 16 January 2013, Deputy Chairman of the Bank of Russia Sergey Shvetsov announced that the Bank of Russia had made up a list of 15-30 systemically important banks. It is proposed to make top-management compensations dependent on the financial performance of these banks, which is in line with the FSB recommendations on strengthening regulation of SIFIs. Sergey Shvetsov also mentioned that special groups involving representatives of different countries' regulatory authorities will be established for Russian systemically important banks carrying out activities abroad.²⁰⁶²

On 24 January 2013, Deputy Chairman of the Bank of Russia Mikhail Sukhov announced that starting from 2015-2016 Russian systemically important banks will be required to make information on their leverage ratios available not only to the regulatory authority, but for all interested parties.²⁰⁶³

Russia has taken measures to improve intensity of SIFIs supervision, but no facts of concrete Russian steps towards more effective supervision of SIFIs have been registered during the compliance period. Thus, Russia is given a score of 0.

Analyst: Andrey Shelepov

²⁰⁵⁹ Guidelines for the Single State Monetary Policy in 2013 and for 2014 and 2015, Bank of Russia 7 November 2012. Date of Access: 22 March 2013. [http://cbr.ru/today/publications_reports/on_2013\(2014-2015\).pdf](http://cbr.ru/today/publications_reports/on_2013(2014-2015).pdf).

²⁰⁶⁰ Russian Central Bank Established the Systemically Important Banks Department, PRAIM 14 March 2013. Date of Access: 22 March 2013. <http://prime.ria.ru/banks/20130314/761761548.html>.

²⁰⁶¹ Bank of Russia letter No.193-T of 29 .12.2012 "Guidelines for Elaborating Credit Institutions' Recovery Plans", Bank of Russia 16 January 2013. Date of Access: 22 March 2013. <http://cbr.ru/publ/Vestnik/ves130116001.pdf>.

²⁰⁶² Russian Central Bank Made Up the List of Systemically Important Banks, PRAIM 16 January 2013. Date of Access: 22 March 2013. http://1prime.ru/Central_bank/20130116/760544134-print.html.

²⁰⁶³ Russian Central Bank Plans to Require Banks Disclose Information on Leverage Ratios in the Framework of Transition to Basel III, Interfax 24 January 2013. Date of Access: 22 March 2013. <http://www.interfax.ru/ifx.asp?id=5d0fa7cd-3900-4443-a46f-d4fa944af39f>.

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to improve effectiveness and intensity of supervision.

On 19 November 2012, the Saudi Arabian Monetary Agency (SAMA) “published the draft Implementing Regulations of the Real Estate Finance Law, the Financial Lease Law, and the Law on Supervision of Finance Companies for public consultation.”²⁰⁶⁴ In December 2012 Norton Rose, a law firm, explains that “The Law on Supervision of Finance Companies sets out the regulatory regime under which finance companies will operate (noting that this relates to all finance companies, not just real estate), with the oversight and licensing of such sector lying with SAMA. The accompanying Regulation cements SAMA’s role in licensing and regulating finance companies and the governance of finance companies.”²⁰⁶⁵

This comes to show that the Saudi government is regulating the financial sector and working towards greater supervision of key institutions and key players. However, there is little evidence of any measures that were taken to satisfy the requirement of stress testing.

The boards of the national banks of Saudi Arabia lack the representation and diversity that would have otherwise suggested compliance with the improved intensity measure. Furthermore, there is no indication of the identification of the key players in Saudi Arabia. Thus the lack of transparency suggests noncompliance with the improved intensity measure.

Saudi Arabia has taken action in compliance with the improved effectiveness measures, and has thus awarded a score of 0.

*Analyst: Israa Hamad
Compliance Co-director: Alexandre De Palma*

South Africa: 0

South Africa has partially complied with its commitment to increase in both the effectiveness and the intensity of SIFI supervision. South Africa has paid efforts to enhance supervision by adopting international standards which are aimed to increase the supervisory effectiveness and intensity, yet has failed to meet some of them.

On 6 July 2012, SARB issued Guidance Note 6/2012 providing guidance to all parties relating to the parallel test run and some other additional key dates regarding the implementation of Basel

²⁰⁶⁴ Publishing Draft Implementing Regulations of the Finance Laws, Saudi Arabian Monetary Agency (Riyadh) 19 November 2012. Date of Access: 03 March 2013. <http://www.sama.gov.sa/sites/samaen/News/Pages/PublishingDraftImplementingRegulationsoftheFinanceLaws.aspx>

²⁰⁶⁵ Saudi Arabia legal update - SAMA issues draft regulations, Norton Rose (Dubai) December 2012. Date of Access: 03 March 2013. <http://www.nortonrose.com/knowledge/publications/73251/saudi-arabia-legal-update-sama-issues-draft-regulations>

III.²⁰⁶⁶ On 15 August 2012, SARB issued Guidance Note 8/2012 providing further guidance and additional information regarding the Basel III parallel test run.²⁰⁶⁷

The Financial Service Board conducted its first Quantitative Impact Study (QIS1) in December 2011 to determine the impact of the new proposed solvency rules. The results of QIS1 were taken into account for the second QIS (QIS2) data collection exercise, which was announced in July 2012. The data collection period for QIS2 commenced in July 2012 and terminated in November 2012. Result of data collection was submitted for group calculations on 5 November 2012, and report will be published on 31 January 2013. In addition, the FSB conducted targeted interviews with a sample of insurers between September and November 2012, and a full report on the findings is to be issued towards the end of January 2013.²⁰⁶⁸

The Insurance Laws Amendment Bill (ILAB) forms part of the SAM Interim Measures. ILAB deals with insurance group supervision, governance, risk management and internal controls. It was submitted to National Treasury on 13 April 2012 for review, and is likely to be tabled in Parliament in the first half of 2013.²⁰⁶⁹

South Africa has made many other efforts in enhancing financial regulation. On 15 November 2012, Finance Minister Pravin Gordhan has mooted the establishment of a national center to ensure that heads of government departments take action on financial mismanagement uncovered during internal audits.²⁰⁷⁰ The Financial Services Board has proposed a draft legislative framework is currently under consideration and it is anticipated that a discussion document will be published for public comment by November 2012.

Analyst: Yuan Zhang

Turkey: 0

Turkey partially complied its obligation with regards to the commitment to a full and timely implementation of the financial sector reforms agreed upon in Seoul, which mainly addressed a specific method to maintain the stability of Systematically Important Financial institutions. As seen in previous years, Turkey has taken actions in compliance with the FSB improved effectiveness requirements and the improved intensity requirements.

²⁰⁶⁶ Publication Detail: G6/2012: Basel III parallel test run: Reporting requirements in terms of the amended regulatory BA forms, South African Reserve Bank (Pretoria) 10 July 2012. Date of Access: 1 January 2013.

<http://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/5085/G6%20of%202012.pdf>

²⁰⁶⁷ Publication Detail: G8/2012: Further information and additional requirements regarding the Basel III parallel test run, South African Reserve Bank (Pretoria) 16 August 2012. Date of Access: 1 January 2013.

http://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/5112/G8_2012.pdf

²⁰⁶⁸ Update on Progress with the Solvency Assessment and Management (SAM) Project, Financial Service Board (Pretoria) 6 September 2012. Date of Access: 2 January 2013.

<ftp://ftp.fsb.co.za/public/insurance/SAM/Newsletters/SAMNewsletter10.pdf>

²⁰⁶⁹ Update on Progress with the Solvency Assessment and Management (SAM) Project, Financial Service Board (Pretoria) 6 September 2012. Date of Access: 2 January 2013.

<ftp://ftp.fsb.co.za/public/insurance/SAM/Newsletters/SAMNewsletter10.pdf>

²⁰⁷⁰ Gordhan in a bid to improve govt's financial management, South Africa Broadcasting Corporation (Johannesburg) 15 November 2012. Date of Access: 1 January 2013.

<http://www.sabc.co.za/news/a/e03657004d74a4a79ba3fbe570eb4ca2/Gordhan-in-a-bid-to-improve-Govts-financial-management-20121511>

The report on the Progress in the Implementation of G20/FSB Recommendations of June 2012 evaluated the progress Turkey made with regards to implementation of regulations. The report shows that Turkey has taken many steps to comply with the improved effectiveness measure as it has called for more regulations, in different domains of the financial sector such as the regulation of hedge funds.²⁰⁷¹ As for the improved intensity measure, Turkey has been continuing to build up on the improvements it has achieved in 2011.

Thus Turkey has taken actions in compliance with the FSB policy measures to meet the improved effectiveness requirements and improved intensity requirement and is awarded a score of 0.

Compliance Analyst: Israa Hamad

United Kingdom: 0

The United Kingdom has partially complied with its commitment to increase effectiveness and intensity of banking supervision.

These recommendations include: (1) The allowance of HMT greater discretion within the flexibility of the EU legislation; (2) That the FSA increasingly encourages banks disclose their leverage ratios as was defined in Basel III; (3) That the FSA furthers their work with the banks in building up greater cushions of capital that may act as shock-absorbers during financially turbulent times and in the event of greater risk of loss; (4) That the FSA encourage banks to improve the handling of their balance sheets without over- or under-assuming; (5) Banks are strongly encouraged to be increasingly more aware of their balance sheets, particularly in assessing, managing and mitigating the risks of current and potential stresses found within the euro zone; (6) The FSA is encouraged to make clear that liquid assets be easier to more easily accessible to banks by the Central Bank; and (7) Recommendation that UK banks work to ensure greater consistency with the FSA and the British Banker's Association in association with their Pillar 3 responsibilities.²⁰⁷²

Recommendations (1), (2), (5) and (7) are all under way. HMT is currently moving towards greater flexibility within the European Union legislation with regards to greater self-management; UK banks are on track in meeting these requirements by the end of 2012, which would ease investors uncertainty about UK firms; HMT is taking steps towards greater assessment and mitigating exposure to potential euro zone financial problems; and cooperation between the BBA and the FSA is in progress in developing an action plan in delivering the proposed improvements, especially those regulating measures under Basel III.²⁰⁷³

Recommendations (3) and (4) are currently superseded. The FSA, HMT and at least one UK bank are in conducive talks regarding the raising of external capital, the bringing together of existing recommendations, as well as the resilience of the UK banking system. As well, HMT acknowledges that the FSA's recommendations that banks improve the resilience of their balance

²⁰⁷² Financial Stability Report, Bank of England (London) 29 November 2012. Date of Access: 1 January 2012. <http://www.bankofengland.co.uk/publications/Documents/fsr/2012/fsrfull1211.pdf>

²⁰⁷³ Financial Stability Report, Bank of England (London) 29 November 2012. Date of Access: 1 January 2012. <http://www.bankofengland.co.uk/publications/Documents/fsr/2012/fsrfull1211.pdf>.

sheets is continuing, there is a belief that they can do more. In this regard, HMT's recommendations are even more conservative than those proposed by the FSA.²⁰⁷⁴

Recommendation (6) has already been implemented. Liquid asset holdings in the UK have fallen since the previous recommendation, but messages relayed between the FSA and HMT to UK banks are increasingly being heard and understood.²⁰⁷⁵

Thus, based on the recommendations and actions undertaken, the United Kingdom has been awarded a score of 0 in its compliance of more effective SIFI supervision as proposed by the FSB.

Analyst: Filip Kedzior

United States: +1

The United States has made sufficient progress with its commitment to the full and timely implementation of the financial sector reform agenda agreed up through Seoul, including a comprehensive framework to address the risk posed by systemically important financial institutions. The United States has taken actions in compliance with the FSB improved effectiveness requirements and the improved intensity requirements.

On 9 October 2012, the FDIC announced “publication of its final rule regarding company-run stress testing required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rule applies to covered institutions with total consolidated assets greater than \$10 billion.”²⁰⁷⁶

The Financial Stability Board report regarding the “Progress in the Implementation of G20/FSB Recommendations” of June 2012 indicates that the United States has taken regulatory steps to implement the board's recommendation both in terms of improved effectiveness and improved intensity requirements.²⁰⁷⁷

Hence the United States of America has taken actions in compliance with the FSB policy measures to meet improved effectiveness requirements and improved intensity requirements. Thus the United States of America is awarded a score of +1.

Analyst: Israa Hamad

European Union: 0

The European Union has partially complied with its commitment to strengthen the intensity and effectiveness of the supervision of systemically important financial institutions.

²⁰⁷⁴ Financial Stability Report, Bank of England (London) 29 November 2012. Date of Access: 1 January 2012. <http://www.bankofengland.co.uk/publications/Documents/fsr/2012/fsrfull1211.pdf>.

²⁰⁷⁵ Financial Stability Report, Bank of England (London) 29 November 2012. Date of Access: 1 January 2012. <http://www.bankofengland.co.uk/publications/Documents/fsr/2012/fsrfull1211.pdf>.

²⁰⁷⁶ FDIC Approves Final Rules Regarding Large Bank Stress Tests and Large Bank Assessment Pricing and Releases An Update on the DIF Projections, Federal Deposit Insurance Corporation (Washington) 9 October 2012. Date of Access: 6 April 2013. <http://www.fdic.gov/news/news/press/2012/pr12116.html>

²⁰⁷⁷ Progress in the Implementation of G20/FSB Recommendations, Financial Stability Board (Basel) 19 June 2012. Date of Access: 6 April 2013. http://www.financialstabilityboard.org/publications/r_120619ww.pdf

On 5 April 2013 European Central Bank Executive Yves Mersch outlined the strategy behind the Banking Union. Mersch stated three main reasons for creating the Banking Union: “first, delinking sovereigns and banks and fostering the reintegration of financial markets, second, avoiding national bias in supervision, and third, restoring the proper transmission of monetary policy.”²⁰⁷⁸

On 13 December 2012 European leaders reached “an agreement to place the euro zone banks under a single supervisor.”²⁰⁷⁹ The leaders hailed the decision as “a concrete measure to maintain the viability of the currency as well as a step in laying the groundwork for a broader economic union.”²⁰⁸⁰ The leaders conceded to Germany and “agreed that thousands of smaller banks would be primarily overseen by national regulators.”²⁰⁸¹ However, the French advocated for “all euro zone banks to be held accountable, [and the agreement included the provision that] the central bank will be able to take over supervision of any bank in the region at any time.”²⁰⁸² President of the European Central Bank Mario Draghi stated, “The agreement on banking supervision was “an important step towards a stable economic and monetary union, and toward further European integration.” But he noted that governments and the European Commission still had to work on the details of the supervision mechanism.”²⁰⁸³

Thus the European Union has been awarded a 0 for its enhancement of the effectiveness of SIFIs supervision.

Analyst: Ava-Dayna Sefa

²⁰⁷⁸ The Banking Union - a European perspective: reasons, benefits and challenges of the Banking Union, European Central Bank (Brussels) 5 April 2013. Date of Access: 7 April 2013.

<http://www.ecb.europa.eu/press/key/date/2013/html/sp130405.en.html>

²⁰⁷⁹ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰⁸⁰ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰⁸¹ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰⁸² European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

²⁰⁸³ European leaders hail accord on banking supervision, New York Times (Brussels) 13 December 2012. Date of Access: 4 April 2013. http://www.nytimes.com/2012/12/14/business/global/eu-leaders-hail-accord-on-banking-supervision.html?_r=0

9. Food and Agriculture: Sustainable Agriculture

Commitment [#77]

“[We recognize the need to adapt agriculture to climate change and we recognize the importance of improving the efficiency of water and soil use in a sustainable manner. To this end,] we support the development of and a greater use of available technologies, well-known practices and techniques such as soil fertility enhancement, minimum tillage and agroforestry.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China	-1		
France			+1
Germany		0	
India		0	
Indonesia			+1
Italy		0	
Japan	-1		
Korea	-1		
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union		0	
Average Score		+0.35	

Background

At the Los Cabos Summit held on 18-19 June 2012, G20 Leaders affirmed their on-going commitment to improving domestic food and agricultural practices, with a particular focus on adapting agriculture so as to mitigate its contributions to climate change.²⁰⁸⁴ The commitment responds to calls for heightened international cooperation on the use of land and water resources recently expressed by the United Nations. As put forth by the Food and Agriculture Organization of the United Nations (FAO), “Increasing competition over natural resources because of population and economic growth, climate change and other drivers is magnifying the challenges of natural resource management.”²⁰⁸⁵ In such progressively challenging conditions, it becomes

²⁰⁸⁴ G20 Leaders Declaration, G20 Information Center (Toronto) 19 June 2012. Date of Access: 8 December 2012.

<http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

²⁰⁸⁵ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Date of Access: 7 December 2012.

crucial to bring attention to and make decisions on the sustainable use of land and water in agriculture to “ensure land and water remain a conduit for agricultural and economic growth and for the general advancement of human well-being.”²⁰⁸⁶

Several international conventions and initiatives have been developed in order to foster international cooperation. The 1972 United Nations Conference on Human Environment in Stockholm served as the catalyst that brought the need for cooperation on environment and natural resource management to the fore. The 1992 United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit, in Rio de Janeiro reaffirmed the need for enhanced natural resource management.²⁰⁸⁷ These have been followed by several other international conferences, the most recent of which was the 2012 United Nations Conference on Sustainable Development held in Rio de Janeiro, and international and regional agreements. As the FAO asserts, “International cooperation on agricultural research has been one of the shining examples of successful cooperation and has achieved significant impacts on the livelihoods of the global community.”²⁰⁸⁸

To further strengthen the existing international commitment to sustainable use of world resources, at past G20 summits, including the Toronto Summit in 2010 and the Cannes Summit in 2011, the member states have made a variety of commitments to address matters in the domain of food and agriculture, which have included excessive price volatility and food export restrictions.²⁰⁸⁹ Also in line with their continuing support for efficient use of world resources, at the Los Cabos Summit in 2012, the G20 members committed to engaging in practices that focus on adapting agricultural practices to climate change and improving the efficiency of water and soil use. These practices include, but are not limited to, adopting methods to enhance soil fertility, engaging in minimum tillage, and promoting agroforestry domestically.

Recognizing the need to disseminate sustainable agriculture practices, FAO endorses and encourages the use of several such practices:

1) Direct seeding or planting, which is equivalent to minimum tillage, involves “growing crops without mechanical seedbed preparation and with minimal soil disturbance since the harvest of the previous crop.”²⁰⁹⁰

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

²⁰⁸⁶ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Date of Access: 7 December 2012.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

²⁰⁸⁷ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Date of Access: 7 December 2012.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

²⁰⁸⁸ Report 16: International Cooperation for Sustainable Land and Water Management, Food and Agriculture Organization of the United Nations (Rome) 2011. Date of Access: 7 December 2012.

http://www.fao.org/fileadmin/templates/solaw/files/thematic_reports/TR_16_web.pdf.

²⁰⁸⁹ 2011 Cannes G20 Summit Final Compliance Report, G20 Information Center (Toronto), 16 June 2012. Date of Access: 8 December 2012.

<http://www.g20.utoronto.ca/compliance/2011cannes-final/index.html>.

²⁰⁹⁰ The Main Principles of Conservation Agriculture, Food and Agriculture Organization of the United Nations (Rome) 2012. Date of Access: 8 December 2012.

<http://www.fao.org/ag/ca/1b.html>

- 2) The use of permanent soil covers is necessary to protect the soil against a range of harmful environmental exposures, to provide the organisms in the soil with nutrients, and to alter the microclimate in the soil to induce optimal growth and development of soil organisms.²⁰⁹¹
- 3) Crop rotation is necessary to provide a diversity of nutrients to the soil organisms and to allow these organisms to reach the different soil layers.²⁰⁹²

These practices, among others, are examples of agriculture methods that improve the efficiency of water and soil use in a sustainable manner.

Definitions

Agroforestry — the management approach of intentional combining of agriculture and working trees to create sustainable farming and ranching systems.²⁰⁹³

Minimum tillage — is the tillage practice in which the seeds are placed into the soil with the minimum soil disturbance possible.²⁰⁹⁴

Commitment Features

There are three components to watch in this commitment:

In order to fully comply with the commitment, the member state must foster both the development and greater use of available technologies, practice, and techniques which produce minimal harm to the environment. If the member state promotes either the development or the greater use of such mechanisms, then their actions will be qualified as partial compliance.

All developments and implementation frameworks should be on a national level; adopted international developments and implementation frameworks are not acceptable.

Despite the commitment’s explicit mentioning of soil fertility enhancement, minimum tillage, and agroforestry, the commitment does not limit the members to those three. The member is free to turn to other available technologies, well-known practices and techniques for improving the efficiency of water and soil use in a sustainable manner to qualify for full compliance.

Scoring Guidelines

-1	Member takes no steps to improve the efficiency of water and soil use in a sustainable manner through development AND implementation of available technologies, well-known practices, and techniques such as soil fertility enhancement, minimum tillage, and agroforestry.
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²⁰⁹¹ The Main Principles of Conservation Agriculture, Food and Agriculture Organization of the United Nations (Rome) 2012. Date of Access: 8 December 2012.
<http://www.fao.org/ag/ca/1b.html>

²⁰⁹² The Main Principles of Conservation Agriculture, Food and Agriculture Organization of the United Nations (Rome) 2012. Date of Access: 8 December 2012.
<http://www.fao.org/ag/ca/1b.html>

²⁰⁹³ Agroforestry – Enriching Our Lives With Trees That Work, United States Department of Agriculture National Agroforestry Center (Lincoln) 18 February 2012. Date of Access: 7 December 2012.
<http://nac.unl.edu/documents/multimedia/presentations/Canned-PowerPoints/AgroforestryOverview2-18-12.ppt>.

²⁰⁹⁴ Conservation Agriculture: Soil Tillage, Food and Agriculture Organization of the United Nations (Rome) 2012. Date of Access: 8 December 2012.
<http://www.fao.org/ag/ca/3b.html>.

0	Member takes steps to improve the efficiency of water and soil use in a sustainable manner through development OR implementation of available technologies, well-known practices, and techniques such as soil fertility enhancement, minimum tillage, and agroforestry.
+1	Member takes steps to improve the efficiency of water and soil use in a sustainable manner through development AND implementation of available technologies, well-known practices, and techniques such as soil fertility enhancement, minimum tillage, and agroforestry.

Lead Analyst: Samantha Young

Argentina: +1

Argentina has fully complied with its commitment to support the development and greater use of available technologies to improve water efficiency and the sustainable use of soil. Government of Argentina has continued to enhance the country's agriculture initiatives that had been instituted in recent years, with a renewed focus on promoting sustainability efforts.

In January 2013, Argentina participated in the 5th Berlin Agriculture Minister's Summit.²⁰⁹⁵ The Argentinian delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²⁰⁹⁶

On 6 December 2012, the National Institute for Agricultural Technology (INTA) presented a management module to the country's Chaco region that involves adopting a silvopastoral management system for its forests.²⁰⁹⁷ Silvopasture is an agroforestry technique that involves the introduction of trees within a forage production system.²⁰⁹⁸ The presentation was held in Santiago del Estero and involved officials from the INTA, as well as regional INTA representatives from Chaco, the Ministry of Agriculture, and various non-governmental organizations.²⁰⁹⁹

²⁰⁹⁵ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministergipfel2013_EN.pdf?__blob=publicationFile.

²⁰⁹⁶ Press release no. 22 from 19.01.13: Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministergipfel.html>.

²⁰⁹⁷ Se Presentó Formalmente el Módulo Experimental con Fines Demostrativos en la Región Chaqueña, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 6 December 2012. Date of Access: 21 December 2012.

http://64.76.123.202/site/_css/leer.php?imp=1&url=forestacion/proyectos_forestales/_noticias/121206005000.txt.

²⁰⁹⁸ Silvopasture, United States Department of Agriculture: National Agroforestry Centre (Lincoln) 2012. Date of Access: 21 December 2012.

<http://nac.unl.edu/silvopasture.htm>.

²⁰⁹⁹ Se Presentó Formalmente el Módulo Experimental con Fines Demostrativos en la Región Chaqueña, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 6 December 2012. Date of Access: 21 December 2012.

http://64.76.123.202/site/_css/leer.php?imp=1&url=forestacion/proyectos_forestales/_noticias/121206005000.txt.

On 25 July 2012, the Ministry of Agriculture, Livestock, and Fisheries advertised in an on-line news bulletin for a course in organic production for people in agricultural engineering.²¹⁰⁰ The course, run by the INTA, focuses on promoting sustainable agricultural techniques such as soil fertility enhancement, organic soil management, and crop rotation. The bulletin stated that 35 per cent of Argentina's vegetable crop is organic, and that the Ministry of Agriculture "promotes organic production" through actions such as these training sessions.²¹⁰¹

Additionally, on 4 September 2012, the Ministry of Agriculture held a workshop session that considered proposals on how farmers can better contribute to conservation and forestry management efforts.²¹⁰²

In 2010, the Ministry of Agriculture allocated funding to a project called Programa Nacional de Agricultura Periurbana, which is aimed at helping small farmers and municipalities develop their agricultural and economic capabilities.²¹⁰³ Throughout all of 2012, it has continued to distribute funds to rural municipalities such as Corrientas (ARS1.5 million)²¹⁰⁴ and cooperatives that support small farmers (ARS22 million).²¹⁰⁵

On 14 April 2014, the National Institute for Agricultural Technology announced that it was continuing its training workshops for the month of April in organic gardening. These workshops are meant to foster conservation techniques amongst small- and medium-level producers in Argentina, and address the resources and design needed to implement organic farming techniques on a wider level.²¹⁰⁶

²¹⁰⁰ Formación de Asesores en Producción de Cultivos Intensivos, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 25 July 2012. Date of Access: 21 December 2012.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=120725134127.

²¹⁰¹ Formación de Asesores en Producción de Cultivos Intensivos, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 25 July 2012. Date of Access: 21 December 2012.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=120725134127.

²¹⁰² Taller de Formulación de Subproyectos Forestales de Producción y Conservación, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 4 September 2012. Date of Access: 24 December 2012.

http://64.76.123.202/site/css/leer.php?imp=1&url=forestacion/proyectos_forestales/noticias/120904005000.txt.

²¹⁰³ Programa Nacional de Agricultura Periurbana, Ministerio de Agricultura Ganadería y Pesca (Buenos Aires) 2012. Date of Access: 21 December 2012.

http://64.76.123.202/site/economias_regionales/institucional/03_Programas_Vigentes/05_Programa_Nacional_de_Agricultura_Periurbana/index.php.

²¹⁰⁴ Yauhar Firmó un Convenio por 1.500.000 Pesos para Corrientes, Ministerio de Agricultura Ganadería y Pesca (Buenos Aires) 20 November 2012. Date of Access: 22 December 2012.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=121121122335.

²¹⁰⁵ Yauhar Entregó Más de \$22 Millones a Cooperativas, Ministerio de Agricultura Ganadería y Pesca (Buenos Aires) 13 November 2012. Date of Access: 22 December 2012.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=121121121648.

²¹⁰⁶ Continúan Los Talleres de Huerta Orgánica, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 12 April 2013. Date of Access: 1 June 2013.

http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=130412135741.

On 14 June 2013, the Argentine Ministry of Agriculture announced that it would develop a program that promotes conservation practices and land use optimization to farmers.²¹⁰⁷ The program is called Programa Nacional de Titulación y Arraigo Rural (“The National Program of Rural Tilting and Rooting”). It will be executed on a provincial and municipal level and is meant to increase rural employment in the country.²¹⁰⁸

Thus, Argentina receives a score of +1 for its efforts to develop conservation and forest management practices appropriate for the country’s agricultural sector and its promotion of sustainable agricultural techniques.

Analyst: Vipasha Shaikh

Australia: +1

Australia has complied with its commitment on sustainable agriculture, implementing many measures that aim to address the detrimental effects of climate change on agriculture. The Department of Agriculture, Forestry, and Fisheries has maintained that it “is preparing for the impacts of climate change.”²¹⁰⁹ In particular, the Australian government is “investing in the science and research that provides the information and skills needed to help communities, industries, and governments to adapt to a changing climate.”²¹¹⁰

On 14 November 2012, Australia’s Minister for Agriculture, Fisheries and Forestry Joe Ludwig reaffirmed the Australian government’s commitment to prioritizing research for farmers and other land managers, announcing the second round of competitive grants totalling AUD50 million for the “Filling the Research Gap” program.²¹¹¹ The program aims to “support research into emerging abatement technologies, strategies and innovative management practices that reduce greenhouse gas emissions from the land sector, sequester carbon, and enhance sustainable agricultural practices.”²¹¹²

On 27 November 2012, Minister Ludwig launched a revised Climate Change Research Strategy for Primary Industries that seeks to “build a sustainable, strong and viable future for Australia’s

²¹⁰⁷ Agricultura creó el Programa Nacional de Titulación y Arraigo Rural, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 14 June 2013. Date of Access: 15 June 2013.
http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=130614141320.

²¹⁰⁸ Agricultura creó el Programa Nacional de Titulación y Arraigo Rural, Ministerio de Agricultura, Ganadería y Pesca (Buenos Aires) 14 June 2013. Date of Access: 15 June 2013.
http://www.minagri.gob.ar/site/institucional/prensa/index.php?edit_accion=noticia&id_info=130614141320.

²¹⁰⁹ How We Are Responding to Climate Change, Department of Agriculture, Fisheries and Forestry (Canberra) 6 December 2012. Date of Access: 5 January 2013.
<http://www.daff.gov.au/climatechange/climate>.

²¹¹⁰ How We Are Responding to Climate Change, Department of Agriculture, Fisheries and Forestry (Canberra) 6 December 2012. Date of Access: 5 January 2013.
<http://www.daff.gov.au/climatechange/climate>.

²¹¹¹ Priority Research for Farmers and Other Land Managers, Department of Agriculture, Fisheries and Forestry (Canberra) 14 November 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/november/priority-research-for-farmers-and-other-land-managers.

²¹¹² Filling the Research Gap, Department of Agriculture, Fisheries and Forestry (Canberra) 6 December 2012. Date of Access: 5 January 2013.
<http://www.daff.gov.au/climatechange/carbonfarmingfutures/ftg>.

primary industries.”²¹¹³ Minister Ludwig noted that the strategy highlights the importance of the country’s agricultural sector and will be used to “help mitigate the impacts of climate change through a wide range of research, development and extension.”²¹¹⁴

Additionally, on 3 November 2012, the Department of Agriculture, Farming, and Fishing announced that applications for the government’s AUD64 million “Carbon Farming Futures Extension and Outreach Program” were open.²¹¹⁵ Established on 17 May 2012, prior to the Los Cabos Summit, the Program provides grants to assist farmers and land managers “to adopt technologies and practices to reduce greenhouse gas emissions.”²¹¹⁶ Through this program, the Australian government is in the process of delivering AUD429 million over six years so as to “fund measures to help land managers benefit from carbon farming and unlock financial opportunities.”²¹¹⁷

Furthermore, Government of Australia has committed AUD2.2 billion over five years to the initiative “Caring for our Country,” with funding commencing on 1 July 2013.²¹¹⁸ The initiative has two specific streams: one dedicated to sustainable environment and the other to sustainable agriculture.²¹¹⁹ In October 2012, Government of Australia announced an allocation of AUD700 million for the sustainable agriculture stream.²¹²⁰

At a more local level, on 23 November 2012, Minister Ludwig awarded a AUD302.5 thousand grant to volunteers of Landcare, a community-based movement that has “played a major role in raising awareness, influencing farming and land management practices and delivering

²¹¹³ New Strategy in the Fight Against Climate Change, Department of Agriculture, Fisheries and Forestry (Canberra) 27 November 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/november/new-strategy-in-the-fight-against-climate-change.

²¹¹⁴ New Strategy in the Fight Against Climate Change, Department of Agriculture, Fisheries and Forestry (Canberra) 27 November 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/november/new-strategy-in-the-fight-against-climate-change.

²¹¹⁵ Support for Climate Action on Farms, Department of Agriculture, Fisheries and Forestry (Canberra) 3 November 2012. Date of Access: 5 January 2013.
http://www.maff.gov.au/media_office/media_releases/media_releases/2012/november/support-for-climate-action-on-farms.

²¹¹⁶ Support for Climate Action on Farms, Department of Agriculture, Fisheries and Forestry (Canberra) 3 November 2012. Date of Access: 5 January 2013.
http://www.maff.gov.au/media_office/media_releases/media_releases/2012/november/support-for-climate-action-on-farms.

²¹¹⁷ How We Are Responding to Climate Change, Department of Agriculture, Fisheries and Forestry (Canberra) 6 December 2012. Date of Access: 5 January 2013.
<http://www.daff.gov.au/climatechange/climate>.

²¹¹⁸ National Biodiversity Investment Prospectus Launched, Invest in Australia (Sydney) 11 December 2012. Date of Access: 5 January 2013.
<http://www.investinaustralia.com/news/national-biodiversity-investment-prospectus-launched-12c3>.

²¹¹⁹ National Biodiversity Investment Prospectus Launched, Invest in Australia (Sydney) 11 December 2012. Date of Access: 5 January 2013.
<http://www.investinaustralia.com/news/national-biodiversity-investment-prospectus-launched-12c3>.

²¹²⁰ Support From the Ground Up With New Advocate for Soil Health, Department of Agriculture, Fisheries and Forestry (Canberra) 26 October 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/october/support-from-the-ground-up-with-new-advocate-for-soil-health.

environmental outcomes across Australian landscapes.”²¹²¹ Indeed, Government of Australia has dedicated over AUD200 million to Landcare activities over the next five years.²¹²²

The Australian government has taken steps to enhance the sustainability of the country’s fisheries and waters more generally. On 11 September 2012, Minister Ludwig announced a major review of policies and legislation involving Australia’s fisheries, “the first of its kind in over twenty years.”²¹²³ The minister noted that the review is meant to identify any improvements that are needed to ensure the industry’s sustainability.²¹²⁴ Also, on 22 November 2012, the Australian government adopted a plan to restore flows to the Murray-Darling River Basin — a key source of the country’s agricultural production and harbours 30,000 unique wetlands.²¹²⁵

On 11 December 2012, Australian Environment Minister Tony Burke released the federal government’s first national biodiversity prospectus entitled “Our Land — Many Stories: Prospectus of Investment 2013-14.”²¹²⁶ Minister Burke stated that the Australian government must “take up the opportunities we have right now for conservation and natural resources management in a changing climate.”²¹²⁷ The minister noted the importance of conserving the country’s marine environments through federal investment, maintaining that, “it is important that our urban and coastal waterways are protected.”²¹²⁸

²¹²¹ Australia’s Natural Resources are “In Safe Hands,” Department of Agriculture, Fisheries and Forestry (Canberra) 23 November 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/november/in-safe-hands.

²¹²² Australia’s Natural Resources are “In Safe Hands,” Department of Agriculture, Fisheries and Forestry (Canberra) 23 November 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/november/in-safe-hands.

²¹²³ Major Review of Australian Fisheries Management, Department of Agriculture, Fisheries and Forestry (Canberra) 11 September 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/september/major-review-of-australian-fisheries-management.

²¹²⁴ Major Review of Australian Fisheries Management, Department of Agriculture, Fisheries and Forestry (Canberra) 11 September 2012. Date of Access: 5 January 2013.
http://www.daff.gov.au/ludwig/media_office/media_releases/media_releases/2012/september/major-review-of-australian-fisheries-management.

²¹²⁵ A Groundbreaking Agreement to Save Australia’s Ailing Murray River, National Geographic (Washington) 28 December 2012. Date of Access: 5 January 2013.
<http://newswatch.nationalgeographic.com/2012/12/28/a-groundbreaking-agreement-to-save-australias-ailing-murray-river/>.

²¹²⁶ National Biodiversity Investment Prospectus Launched, Invest in Australia (Sydney) 11 December 2012. Date of Access: 5 January 2012.
<http://www.investinaustralia.com/news/national-biodiversity-investment-prospectus-launched-12c3>.

²¹²⁷ National Biodiversity Investment Prospectus Launched, Invest in Australia (Sydney) 11 December 2012. Date of Access: 5 January 2012.
<http://www.investinaustralia.com/news/national-biodiversity-investment-prospectus-launched-12c3>.

²¹²⁸ National Biodiversity Investment Prospectus Launched, Invest in Australia (Sydney) 11 December 2012. Date of Access: 5 January 2012.
<http://www.investinaustralia.com/news/national-biodiversity-investment-prospectus-launched-12c3>.

Moreover, on 20 December 2012, Australia's Environment Minister Tony Burke launched the government's first wave of climate change-related funding for the country's natural resource management organizations.²¹²⁹

On 29 June 2012, Government of Australia announced its intentions to change the eligibility requirements for its conservation tillage offset.²¹³⁰ Eligibility requirements for the refundable tax offset have been simplified regarding the purchase of a new eligible no-till seeder, rendering the offset more accessible. Assistant Treasurer David Bradbury has noted, "This is a small but important change that will assist the Government's objective of encouraging the uptake of conservation tillage practices."²¹³¹

However, Government of Australia has terminated some agricultural programmes that would have been in service to the commitment. For example, on 30 June 2012, Australia's Climate Change Adjustment Program was closed. Its purpose was to assist "primary producers to manage the impacts of climate change by helping them to access farm business and management advice."²¹³² Adjustment advice, training, and other services were available to eligible producers who were adversely affected by climate change.²¹³³ Furthermore, the Transitional Income Support, which provided assistance to farm families in financial difficulty to manage the impacts of climate change, also closed on 30 June 2012.²¹³⁴

In order to compensate for these closures, the "Rural Financial Counselling Service Program" continues to offer free financial counselling to primary producers, fishers, and some eligible small rural businesses suffering financial hardship as a result of climate change.²¹³⁵

On 5-6 March 2013, Canberra hosted the Australian Bureau of Agricultural and Resource Economics and Sciences' (ABARES) Outlook 2013 conference, on the theme "Future Food, Future Farming." According to ABARES' Executive Director, Mr. Paul Morris, the conference provided "a unique opportunity for a 360 degree examination of the issues faced by the

²¹²⁹ Regions Given Climate Change Help, Sky News (Sydney) 20 December 2012. Date of Access: 5 January 2013.

<http://www.skynews.com.au/eco/article.aspx?id=828549>.

²¹³⁰ Reforms to Conservation Tillage Offset, Assistant Treasurer Minister Assisting for Deregulation (29 June 2012). Date of Access: 5 January 2013.

<http://assistant.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2012/058.htm&pageID=003&min=djba&Year=&DocType>.

²¹³¹ Reforms to Conservation Tillage Offset, Assistant Treasurer Minister Assisting for Deregulation (29 June 2012). Date of Access: 5 January 2013.

<http://assistant.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2012/058.htm&pageID=003&min=djba&Year=&DocType>.

²¹³² Climate Change Adjustment, Department of Agriculture, Fisheries and Forestry (Canberra) 31 July 2012. Date of Access: 5 January 2013.

<http://www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance>.

²¹³³ Climate Change Adjustment, Department of Agriculture, Fisheries and Forestry (Canberra) 31 July 2012. Date of Access: 5 January 2013.

<http://www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance>.

²¹³⁴ Climate Change Adjustment, Department of Agriculture, Fisheries and Forestry (Canberra) 31 July 2012. Date of Access: 5 January 2013.

<http://www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance>.

²¹³⁵ Climate Change Adjustment, Department of Agriculture, Fisheries and Forestry (Canberra) 31 July 2012. Date of Access: 5 January 2013.

<http://www.daff.gov.au/climatechange/australias-farming-future/climate-change-adjustment-assistance>.

agricultural, forestry, fisheries, and food sectors in Australia.”²¹³⁶ Main sessions included discussions on farm performance, regional development, emerging markets and carbon farming, alongside forums dedicated to each of Australia’s key commodity sectors.²¹³⁷ On 6 March 2013, the conference highlighted the important role of farmers in tackling climate change, particularly with regards to the Australian government’s Carbon Farming Initiatives.²¹³⁸

In addition to this plenary conference, ABARES held Regional Outlook conferences in each state and the Northern Territory, “taking its agricultural commodity forecasts and discussions on key issues affecting rural industries to regional communities.”²¹³⁹ These regional conferences focused on opportunities for agriculture, regional industries, and environmental change. The Hobart Regional Outlook conference (Tasmania) took place on 1 May 2013; the Cardinia conference (Victoria) took place on 1-2 May 2013; and the Townsville conference (Queensland) took place on 12 June 2013.

On 9 April 2013, ABARES commenced a survey which seeks to help the vegetable growing industry plan for the future with a focus on sustainability. Mr. Morris stated: “This survey will collect information about production, financial performance and socio-economic characteristics of vegetable growing farms, which will help us better understand how the industry is developing over time.”²¹⁴⁰

In March 2012, Minister for Agriculture, Fisheries and Forestry Joe Ludwig announced two separate but coordinated reviews of the Commonwealth Harvest Strategy Policy and the Commonwealth Bycatch Policy. On 27 May 2013, the Department of Agriculture, Fisheries and Forestry released two reports on these policy reviews, noting that, “the policy and guidelines meet or exceed the standards of relevant international obligations and continue to represent best practice.”²¹⁴¹ A key outcome of the Commonwealth Bycatch Policy review was a recommendation for new objectives and principles to enhance sustainability.²¹⁴²

Thus, Australia has been awarded a score of +1 for its funding, development, promotion, and implementation of sustainable agricultural practices and increased attention to fisheries and waterways management.

Lead Analyst: Samantha Young

²¹³⁶ Premier Agricultural Event Draws Australian, International Experts (Canberra) 11 February 2013. Date of Access: 24 June 2013.

<http://www.daff.gov.au/abares/media-releases/2013/premier-agricultural-event>.

²¹³⁷ Premier Agricultural Event Draws Australian, International Experts (Canberra) 11 February 2013. Date of Access: 24 June 2013.

<http://www.daff.gov.au/abares/media-releases/2013/premier-agricultural-event>.

²¹³⁸ Opportunities and Challenges in Carbon Farming (Canberra) 6 March 2013. Date of Access: 24 June 2013. <http://www.daff.gov.au/abares/media-releases/2013/opportunities-and-challenges-in-carbon-farming>.

²¹³⁹ ABARES Regional Outlook Conference (Canberra) 19 April 2013. Date of Access: 24 June 2013.

<http://www.daff.gov.au/abares/media-releases/2013/abares-regional-outlook-conference-cardinia-victoria>.

²¹⁴⁰ Future Planning for our \$3bn Vegetable Growing Farms (Canberra) 9 April 2013. Date of Access: 24 June 2013. <http://www.daff.gov.au/abares/media-releases/2013/vegetable-growing>.

²¹⁴¹ Commonwealth Harvest Strategy Policy and Bycatch Policy Reviews Reports Released (Canberra) 27 May 2013. <http://www.daff.gov.au/about/media-centre/dept-releases/2013/commonwealth-harvest-strategy-policy-and-bycatch-policy-reviews-reports-released>.

²¹⁴² Commonwealth Harvest Strategy Policy and Bycatch Policy Reviews Reports Released (Canberra) 27 May 2013. <http://www.daff.gov.au/about/media-centre/dept-releases/2013/commonwealth-harvest-strategy-policy-and-bycatch-policy-reviews-reports-released>.

Brazil: +1

Brazil has fully complied with its commitment to foster the development and greater use of technologies, practices, and techniques to improve the efficiency of water and soil use in a sustainable manner.

On 29 January 2013, the Ministry of Agriculture, Livestock and Supply announced the Project Recovery of Degraded Areas of the Amazon, launched in partnership with the United Nations Food and Agriculture Organization. The project will aim to recover productive areas degraded in the arc of deforestation in the Amazon by promoting alternative sustainable agriculture production and good agricultural practices.²¹⁴³

On 19 January 2013, Brazil participated in the 5th Berlin Agriculture Minister's Summit.²¹⁴⁴ The Brazilian delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²¹⁴⁵

On 20 November 2012, the Brazilian government officially installed the National Commission for Agroecology and Organic Production (CNAPO), which is responsible for the development of the country's new Agroecology and Organic Production Policy.²¹⁴⁶

On 20 December 2012, the Brazilian Ministry of Agriculture, Livestock, and Supply (MAPA) announced initiatives to increase the production and consumption of organic products. The Ministry will contribute BRL3.4 million to the National Council for Scientific and Technological Development (CNPq) to expand a federal network of technical education and development in agroecology and organic farming.²¹⁴⁷

President Dilma Rousseff and MAPA Minister Mendes Ribeiro Filho launched the Agricultural and Livestock Plan 2012/2013 on 28 June 2012. The plan will allot BRL3.4 billion in 2012-2013 to the Low Carbon Agriculture Program (ABC).²¹⁴⁸ The ABC program aims to reduce carbon

²¹⁴³ Project Will Promote Recovery of Degraded Productive Area, Ministry of Agriculture, Livestock and Supply (Brasilia) 28 January 2013. Date of Access: 13 February 2013.

<http://www.agricultura.gov.br/comunicacao/noticias/2013/01/projeto-vai-promover-recuperacao-de-area-productiva-degradada>.

²¹⁴⁴ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministertgipfel2013_EN.pdf?__blob=publicationFile.

²¹⁴⁵ Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministertgipfel.html>.

²¹⁴⁶ Commission Instituted Agroecology and Organic Production, Ministry of Agriculture, Livestock and Supply (Brasilia) 20 November 2012. Date of Access: 6 January 2013.

<http://www.agricultura.gov.br/comunicacao/noticias/2012/11/instituida-comissao-de-agroecologia-e-producao-organica>.

²¹⁴⁷ Map Invests in Expanding Production System Based Agroecological, Ministry of Agriculture, Livestock and Supply (Brasilia) 20 December 2012. Date of Access: 6 January 2013.

<http://www.agricultura.gov.br/comunicacao/noticias/2012/12/mapa-investe-na-expansao-do-sistema-productivo-de-base-agroecologica>.

²¹⁴⁸ Rio Grande do Sul Enables Technicians to Divulge ABC Plan, Ministry of Agriculture, Livestock and Supply (Brasilia) 20 November 2012. Date of Access: 6 January 2013.

emissions in the agricultural sector and promote the adoption of sustainable agricultural techniques. Among the techniques funded by the program are no-tillage systems, forest planting and maintenance, soil conservation, and recovery of degraded farmland.²¹⁴⁹ As of 28 June 2013, the plan had led to a 555 per cent increase in the adoption of sustainable agricultural techniques.²¹⁵⁰

On 30 April 2013, Brazilian President Dilma Rousseff signed into law the National Policy for Crop-Livestock-Forest. The act provides for the recovery of degraded areas and deforestation reduction by extending lines of credit and technical assistance to farmers who adopt systems for the preservation and improvement of soil properties. The law will enter into force 180 days after its publication.²¹⁵¹

On 17 June 2013, Minister of Agriculture, Livestock and Supply Antonio Andrade authorized the creation of a working group in the Department of Livestock Development and Cooperatives to propose and structure the sustainable development of irrigation and agricultural drainage activities. The group will organize a special team to explore alternatives which encourage the private sector to expand areas of irrigation and agricultural drainage in a sustainable manner.²¹⁵²

Thus, for its development and implementation of sustainable agriculture policies, initiatives, and programs with a goal of adaption to the effects of climate change, Brazil has been awarded a score of +1.

Analyst: Bianca Vong

Canada: +1

Canada has fully complied with its commitment to improve the efficiency of water and soil use in a sustainable manner through the development and implementation of available technologies, well-known practices, and techniques such as soil fertility enhancement, minimum tillage, and agroforestry.

On 18 December 2012, the Canadian government announced it would invest more than CAD850 thousand to finance seven projects, led by Grain Farmers of Ontario, that would allow grain producers to implement soil management practices that could increase their yields and make

<http://www.agricultura.gov.br/comunicacao/noticias/2012/11/rio-grande-do-sul-capacita-tecnicos-para-divulgar-plano-abc>.

²¹⁴⁹ Government Provides More Resources For Sustainable Production, Ministry of Agriculture, Livestock and Supply (Brasilia) 28 June 2012. Date of Access: 6 January 2013.

<http://www.agricultura.gov.br/politica-agricola/noticias/2012/06/governo-disponibiliza-mais-recursos-para-producao-sustentavel>.

²¹⁵⁰ Contracts by the ABC program up 80%, Ministry of Agriculture, Livestock and Supply (Brasilia) 28 June 2013. Date of Access: 4 July 2013.

<http://www.agricultura.gov.br/comunicacao/noticias/2013/06/contratos-pelo-programa-abc-chegam-a-80porcento>.

²¹⁵¹ Política de Integração Lavoura-Pecuária-Floresta é aprovada. Ministry of Agriculture, Livestock and Supply (Brasilia) 30 April 2013. Date of Access: 4 July 2013.

<http://www.agricultura.gov.br/comunicacao/noticias/2013/04/politica-de-integracao-lavoura-pecuaria-floresta-e-aprovada>.

²¹⁵² Working Group will study alternatives to encourage irrigated agriculture and agricultural draiage, Ministry of Agriculture, Livestock and Supply (Brasilia) 17 June 2013. Date of Access: 4 July 2013.

<http://www.agricultura.gov.br/comunicacao/noticias/2013/06/grupo-trabalho-ira-estudar-alternativas-de-incentivo-a-agricultura-irrigada-e-drenagem-agricola>.

crops more sustainable. The investment is also directed towards helping producers develop new seed varieties with improved disease resistance and higher protein content.²¹⁵³

On 7 December 2012, Gerry Ritz, the Canadian minister of Agriculture and Agri-Food, announced the details of Canada's new agricultural policy framework, "Growing Forward 2."

The three new programs under the framework are intended to streamline investments in the agriculture and agri-food sector, focusing on innovation, competitiveness, and market development.²¹⁵⁴ One of these programs — the AgriInnovation Program — will begin in April 2013 and run for five years. This program will receive funding of up to CAD468 million and "is designed to accelerate the pace of innovation by supporting research and development activities in agri-innovations and facilitating the demonstration, commercialization, and/or adoption of innovative products, technologies, processes, practices, and services" with an aim to increase the adaptability and sustainability of Canadian agriculture.²¹⁵⁵

On 7 January 2013, Canadian Agriculture Minister Gerry Ritz and Ontario Minister of Agriculture, Food and Rural Affairs Ted McMeekin announced that Governments of Canada and Ontario were making a joint investment of up to CAD2.5 million to help producers adopt innovative and sustainable on-farm water management practices.²¹⁵⁶ This initiative is designed to facilitate the development of innovative technologies and solutions to water conservation and water use efficiency problems for Ontario farmers.²¹⁵⁷

On 3 May 2013, Minister Ritz and Saskatchewan Agriculture Minister Lyle Stewart announced CAD65 million over five years for the Farm and Ranch Water Infrastructure Program.²¹⁵⁸ This program is aimed at establishing secure water sources for Saskatchewan's farmers and ranchers by investing in farm and ranch water infrastructure such as wells, dugouts, pipelines, and irrigation infill.²¹⁵⁹

Thus, for its efforts towards improving the sustainability of the country's agriculture sector, Canada receives a score of +1.

²¹⁵³ Harper Government Helps Grain Farmers Grow Stronger, Agriculture and Agri-Food Canada (Ottawa) 18 December 2012. Date of Access: 5 January 2013.

http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n121218.

²¹⁵⁴ Harper Government Announces Federal Growing Forward 2 Programs, Agriculture and Agri-Food Canada (Ottawa) 7 December 2012. Date of Access: 5 January 2013.

http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n121207.

²¹⁵⁵ AgriInnovation Program, Agriculture and Agri-Food Canada (Ottawa) 7 December 2012. Date of Access: 5 January 2013.

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1354301302625&lang=eng>.

²¹⁵⁶ Governments Help Ontario Farmers Find Sustainable Water Management Solution, Agriculture and Agri-Food Canada (Ottawa) 7 January 2013. Date of Access: 25 June 2013.

http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2013&page=n130107.

²¹⁵⁷ Governments Help Ontario Farmers Find Sustainable Water Management Solution, Agriculture and Agri-Food Canada (Ottawa) 7 January 2013. Date of Access: 25 June 2013.

http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2013&page=n130107.

²¹⁵⁸ Canada and Saskatchewan Invest In Farm and Ranch Water Infrastructure Program, Government of Saskatchewan (Regina) 3 May 2013. Date of Access: 25 June 2013.

<http://www.gov.sk.ca/news?newsId=17cfbc0c-c0bb-422a-a2de-3690c83ab04a>.

²¹⁵⁹ Canada and Saskatchewan Invest In Farm and Ranch Water Infrastructure Program, Government of Saskatchewan (Regina) 3 May 2013. Date of Access: 25 June 2013.

<http://www.gov.sk.ca/news?newsId=17cfbc0c-c0bb-422a-a2de-3690c83ab04a>.

China: -1

China failed to comply with its commitment to improve the efficiency of water and soil use in a sustainable manner through the development and implementation of available technologies, practices, and techniques.

In January 2013, China participated in the 5th Berlin Agriculture Minister's Summit.²¹⁶⁰ The Chinese delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²¹⁶¹

On 31 October 2012, the State Council pledged to launch a national program on soil protection, with the goal of protecting the soil of cultivated land and drinking water by monitoring and controlling pollutant risks, rehabilitating polluted soil, and improving mechanisms for monitoring soil environment.²¹⁶²

Furthermore, the Facilitating Reforestation for Guangxi Watershed Management in the Pearl River Basin Project has recently reforested three thousand hectares of land in southwest Guangxi. The project will control soil and water erosion, restore degraded land, and preserve biodiversity in the area.²¹⁶³

However, no current programs for the development and implementation of technologies, practices, and techniques to improve the efficiency of water and soil use in a sustainable manner were found.

In June 2013, the Chinese government announced it would conduct a nationwide sampling of soil in order to map pollution levels across the country. However, it did not announce a date for the completion of the survey or whether the results would be made public.²¹⁶⁴

Despite China's promised support of sustainable agriculture and expressed intent to launch a national program on soil protection, the current lack of development and implementation of such programs warrants a score of -1.

Analyst: Bianca Vong

²¹⁶⁰ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministergipfel2013_EN.pdf?__blob=publicationFile.

²¹⁶¹ Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. <http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministergipfel.html>.

²¹⁶² China Vows to Curb Soil Pollution, China Daily (Beijing) 31 October 2012. Date of Access: 5 January 2013. http://www.chinadaily.com.cn/china/2012-10/31/content_15862217.htm.

²¹⁶³ Reforestation Pilot in China is Earning Carbon Credits, World Bank (Washington) 27 December 2012. Date of Access: 5 January 2013. <http://www.worldbank.org/en/news/2012/12/28/reforestation-pilot-in-china-is-earning-carbon-credits>.

²¹⁶⁴ China to Survey Soil Amid Fears Over Rice, Wall Street Journal (Beijing) 12 June 2013. Date of Access: 4 July 2013. <http://online.wsj.com/article/SB10001424127887324049504578541373217674356.html>.

France: +1

France has fully complied with its commitment to promote environmentally sustainable agricultural methods.

On 19 January 2013, France participated in the 5th Berlin Agriculture Minister's Summit.²¹⁶⁵ The French delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²¹⁶⁶

On 18 December 2012, France's Ministry of Agriculture held a conference in Paris to discuss their new project "Agricultures Produisons Autrement." During the conference, the French Minister of Agriculture, Stéphane Le Foll, affirmed France's goal to become a "leader in agro-ecology in Europe."²¹⁶⁷

The French Ministry of Agriculture established that the goals of this program are to: (1) gather, organize, and complete agro-ecological knowledge; (2) provide training and technical support; (3) "individually and collectively encourage farmers to convert their practices and maintain these changes over time."²¹⁶⁸

In pursuit of these objectives, the Ministry of Agriculture has stated that it will allocate EUR3 million to agro-ecological development projects in 2013. The French Government also intends to provide incentives to farmers with tax breaks, and redirect Collective Agricultural Plan (CAP) money to fund individual agro-ecological initiatives.²¹⁶⁹

From 9 October 2012 to 6 January 2013, France's Ministry of Agriculture, Food and Forestry sustained a public advertising campaign supporting their Ecophyto program. The advertising campaign, which included print, web, and television media, encouraged agricultural professionals to reduce pesticide use.²¹⁷⁰

²¹⁶⁵ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministertagung2013_EN.pdf?__blob=publicationFile.

²¹⁶⁶ Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministertagung.html>.

²¹⁶⁷ Stéphane Le Foll Veut Faire de la France le Leader Européen de l'Agroécologie, La France Agricole (Paris) 18 December 2012. Date of Access: 5 January 2013. <http://www.lafranceagricole.fr/actualite-agricole/modeles-de-production-stephane-le-foll-veut-faire-de-la-france-le-leader-europeen-de-l-agroecologie-66153.html>.

²¹⁶⁸ Conférence Nationale: Stéphane Le Foll Présente Son Projet Agro-écologique, Ministère de l'Agriculture, de l'Agroalimentaire et de la Forêt (Paris) 18 December 2012. Date of Access: 5 January 2013. <http://agriculture.gouv.fr/Conference-nationale-Stephane-Le>.

²¹⁶⁹ Conférence Nationale: Stéphane Le Foll Présente Son Projet Agro-écologique, Ministère de l'Agriculture, de l'Agroalimentaire et de la Forêt (Paris) 18 December 2012. Date of Access: 5 January 2013. <http://agriculture.gouv.fr/Conference-nationale-Stephane-Le>.

²¹⁷⁰ Moins de Pesticides, Lancement de la Première Campagne TV, Ministère de l'Agriculture, de l'Agroalimentaire et de la Forêt (Paris) 29 October 2012. Date of Access: 29 June 2013. <http://agriculture.gouv.fr/campagne-ecophyto>.

On 13 May 2013, the Ministry of Agriculture, Food and Forestry launched a call for projects that would help mobilize the agro-ecology movement. Pledging EUR2.5 million, the Ministry looked to support projects that established efficient and innovative farming techniques.²¹⁷¹

During the discussions of the Common Agricultural Policy (CAP) reform of the European Union, France consistently upheld environmentally-friendly techniques as a priority during negotiations.²¹⁷²

Thus, for its efforts to enhance sustainable agriculture in the face of climate change, France receives a score of +1.

Analyst: Mary Davidson

Germany: 0

Germany has taken steps to improve the efficiency of water and soil use through the development of sustainable practices. However, Germany is yet to commence the implementation of such practices.

On 16 May 2013, the BMELV announced that Germany has joined the international multiannual research initiative to sustainably produce higher-yielding wheat.²¹⁷³ Climate change challenges have put stress on agriculture, yet the food demand is growing. Global cooperation is taking place to cultivate more efficient wheat varieties, and Germany is actively engaged.

During the discussions of the Common Agricultural Policy (CAP) — passed on 26 June 2013 — reform of the European Union, Germany has repeatedly spoken in support of environment-friendly agricultural practices.²¹⁷⁴

On 28 January 2013, Federal Minister of Food, Agriculture and Consumer Protection Ilse Aigner and Co-Chair of the Bill and Melinda Gates Foundation shared their vision of the importance of agricultural research in the fight against world hunger.²¹⁷⁵ Minister Aigner spoke of the significance of development of agriculture in the developing countries: “Responsible investments

²¹⁷¹ Stéphane Le Foll Lance un Appel à Projets “Mobilisation Collective Pour l’Agro-écologie,” Ministère de l’Agriculture, de l’Agroalimentaire et de la Forêt (Paris) 15 May 2013. Date of Access: 29 June 2013. <http://agriculture.gouv.fr/Stephane-LE-FOLL-lance-un-appel-a>.

²¹⁷² Accord sur les Perspectives Financières de l’UE : Un Budget de la PAC Préservé pour les Agriculteurs Français, Ministère de l’Agriculture, de l’Agroalimentaire et de la Forêt (Paris) 8 February 2013. Date of Access: 29 June 2013.

<http://agriculture.gouv.fr/Accord-sur-les-perspectives>.

²¹⁷³ Press release No. 146 from 16.05.13: New strategies for higher-yielding wheat, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 16 May 2013. Date of Access: 23 July 2013 <http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/146-Neue-Strategien-fuer-ertragreicheren-Weizen.html>

²¹⁷⁴ Press release No. 47 from 08.02.13: Aigner: “The agreement on the new EU financial framework until 2020 is a solid foundation for ambitious improvements to the Common Agricultural Policy”, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 8 February 2013. Date of Access: 23 July 2013

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/047-AI-Einigung-EU-Haushalt.html>.

²¹⁷⁵ Press release no. 38 from 28.01.13: Aigner and Gates talk about a world without hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 28 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/038-AI-Gates.html>.

in agriculture and agricultural research that is tailored to the needs of developing countries are key factors in the fight against hunger and poverty.” Minister Aigner meeting with Mr. Gates aligned with the 5th International Agriculture Ministers’ Summit in Berlin, initiated and chaired by Minister Aigner.²¹⁷⁶ Upon the conclusion of the Summit, delegations from 80 countries²¹⁷⁷ united in their call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.

On 6 December 2012, Minister Ilse Aigner signed an intergovernmental agreement on scientific-technical cooperation in agricultural and food research Israel’s Minister of Agriculture Orit Noked.²¹⁷⁸ The agreement is meant to bring together the research platforms of the two countries in joint projects addressing the global food situation. The points of emphasis are: (1) adaptation of agriculture to climate change, (2) drought and stress tolerance of wheat, and (3) more efficient irrigation practices.

On 9 November 2012, the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) released a brochure outlining the Ministry’s primary areas of work and policy goals. In the brochure, the BMELV described its ongoing efforts to “encourage sustainable forest management” and explained that “[its] aim is to create optimal conditions to enable the German agricultural industry to be modern, multifunctional and innovative.”²¹⁷⁹

On 20 November 2012, at the Global Soil Week hosted in Berlin, Gudrun Kopp, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development (BMZ), emphasized the increasing significance of soil conservation: “We urgently need to prevent further loss of the limited resource of fertile soil.”²¹⁸⁰ Speaking of Germany’s efforts to promote soil conservation and rehabilitation internationally, Parliamentary State Secretary said that “[...] it is important that people throughout the world develop an awareness of the value of land and of the dangers of not managing land in a sustainable way.”

Germany has taken actions to enhance the development of efficient soil and water use technologies through the international exchange of experience. However, Germany is yet to translate the new developments into practices. Thus Germany is awarded a score of 0.

²¹⁷⁶ Press release no. 22 from 19.01.13: Berlin Agriculture Ministers’ Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministertgipfel.html>.

²¹⁷⁷ Participating countries of the Berlin Agriculture Ministers’ Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministertgipfel2013_EN.pdf?__blob=publicationFile.

²¹⁷⁸ Press release No. 374 from 06.12.12: Germany and Israel intensify cooperation in agricultural research and rural development, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 6 December 2012. Date of Access: 11 January 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2012/374-Zusammenarbeit-mit-Israel.html>.

²¹⁷⁹ The BEMLV, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 9 November 2012. Date of Access: 11 January 2013.

http://www.bmelv.de/SharedDocs/Downloads/EN/Publications/Self-Portrait.pdf?__blob=publicationFile.

²¹⁸⁰ Press Releases: Global Soil Week, Federal Ministry of Economic Cooperation and Development (Bonn) 20 November 2012. Date of Access: 11 January 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2012/November/20121120_pm_276_boeden/index.html.

India: 0

India partially complied with its commitment to support the development and a greater use of available technologies, well-known practices, and techniques such as soil fertility enhancement, minimum tillage, and agroforestry.

In January 2013, India participated in the 5th Berlin Agriculture Minister's Summit.²¹⁸¹ The Indian delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²¹⁸²

On 21 December 2012, the Planning Commission of the Government of India released a draft of the country's Twelfth Five Year Plan (2012-2017) that renewed federal funding for Rashtriya Krishi Vikas Yojana (RKVY) — the National Agriculture Development Scheme — in the amount of INR632.46 billion over five years.²¹⁸³

RKVY is a Central Assistance scheme created under the country's Eleventh Five Year Plan "to incentivise States to draw up plans for their agriculture sector more comprehensively, taking agro-climatic conditions, natural resource issues and technology into account, and integrating livestock, poultry and fisheries more fully."²¹⁸⁴ The scheme provides assistance for activities in defined areas of focus that include enhancement of soil health, skill development and training among farmers, and scaling up micro-irrigation systems.²¹⁸⁵

The Twelfth Five Year Plan also highlights the importance of sustainable agriculture in its chapter on Sustainable Development: "The major thrust of the agricultural development programmes is on improving the efficiency and use of scarce natural resources, namely, land, water, and energy."²¹⁸⁶

²¹⁸¹ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministertgipfel2013_EN.pdf?__blob=publicationFile.

²¹⁸² Press release no. 22 from 19.01.13: Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministertgipfel.html>.

²¹⁸³ Twelfth Five Year Plan (2012-2017) Volume 1: Faster, More Inclusive, and Sustainable Growth, Planning Commission of the Government of India (New Delhi) 21 December 2012. Date of Access: 4 January 2013.

<http://planningcommission.gov.in/plans/planrel/12thplan/welcome.html>.

²¹⁸⁴ About RKVY: Vision/Mission, Department of Agriculture and Cooperation at the Ministry of Agriculture (New Delhi) 2009. Date of Access: 4 January 2013.

<http://rkvy.nic.in/Index.html>.

²¹⁸⁵ Guidelines & Amendments: Areas of Focus under the RKVY, Department of Agriculture and Cooperation at the Ministry of Agriculture (New Delhi) 2009. Date of Access: 4 January 2013.

<http://rkvy.nic.in/Index.html>.

²¹⁸⁶ Twelfth Five Year Plan (2012-2017) Volume 1: Faster, More Inclusive, and Sustainable Growth, Planning Commission of the Government of India (New Delhi) 21 December 2012. Date of Access: 4 January 2013.

On 13 May 2013, the Department released Administrative Approval of RKVY for 2013-14 totalling INR99.54 billion, including INR98.5446 billion of grants to state governments and INR995.4 million towards Crop Husbandry.²¹⁸⁷

India's renewed financial commitment to the RKVY warrants a score of 0.

Analyst: Erin Singer

Indonesia: +1

Indonesia has fully complied with its commitment to support the development and greater use of available technologies, well-known practices, and techniques such as soil fertility enhancement, minimum tillage, and agroforestry.

On 19 January 2013, Indonesia participated in the 5th Berlin Agriculture Minister's Summit.²¹⁸⁸ The Indonesian delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²¹⁸⁹

On 2 August 2012, the Board of Directors of the World Bank approved a USD80 million loan to the Republic of Indonesia for the country's Sustainable Management of Agricultural Research and Dissemination (SMARTD) project.²¹⁹⁰ The project aims to "improve the institutional capacity and performance of the Indonesian Agency for Agricultural Research and Development (IAARD) to develop and disseminate relevant and demand-driven innovative technologies, meeting the needs of producers and of the agri-food system."²¹⁹¹

<http://planningcommission.gov.in/plans/planrel/12thplan/welcome.html>.

²¹⁸⁷ Letter No. 5-1/2013-RKVY: Administrative Approval 2013-14, Department of Agriculture & Cooperation (New Delhi) 13 May 2013. Date of Access: 29 June 2013.

<http://rkvy.nic.in/Letter%20Circulars/Adminstrative%20Approval%202013-14.PDF>.

²¹⁸⁸ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministergipfel2013_EN.pdf?__blob=publicationFile.

²¹⁸⁹ Press release no. 22 from 19.01.13: Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministergipfel.html>.

²¹⁹⁰ Implementation Status & Results: Indonesia Sustainable Management of Agricultural Research and Technology Dissemination (SMARTD), World Bank (Washington) 24 November 2012. Date of Access: 5 January 2013.

<http://www->

wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2012/11/24/090224b0817a0360/1_0/Rendered/PDF/Indonesia000Su0Report000Sequence001.pdf

²¹⁹¹ Project Appraisal Document on a Proposed Loan in the Amount of USD\$80.0 Million to the Republic of Indonesia for the Sustainable Management of Agricultural Research and Technology Dissemination (SMARTD) Project, World Bank (Washington) 1 July 2012. Date of Access: 5 January 2013.

<http://www->

wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/07/17/000356161_20120717004253/Rendered/PDF/643060PAD0P1170only0900R20120015501.pdf.

Currently, including both public and private sector spending, Indonesia spends 0.27 per cent of its GDP on agricultural research.²¹⁹²

In November 2012, the Partnership for Indonesia Sustainable Agriculture (PISAgro) announced that its working group on rice had agreed to launch its first pilot project in the upcoming growing season. PISAgro is a partnership between Government of Indonesia and several Indonesian and multinational corporations. Bayer CropScience will supply hybrid rice seed and a crop protection package for farmers to the Indonesian company TPS Food. Both Bayer and TPS will support farmers through the growing and cultivation process to ensure quality and will provide training to farmers in good agricultural practices.²¹⁹³

On 29 May 2013, the World Bank released the Procurement Plan for Indonesia's SMARTD project.²¹⁹⁴ As of 31 May 2013, the World Bank has disbursed USD4.12 million in three installments in August 2012, March 2013, and May 2013.²¹⁹⁵ In the project's second Implementation Status & Results document released on 27 June 2013, the World Bank ranked both the project's progress towards achieving its Project Development Objective and its overall Implementation Progress as "moderately satisfactory."²¹⁹⁶ This assessment is a regression from the first Implementation Status & Results document, which found both categories of progress "satisfactory."²¹⁹⁷

Thus, Indonesia was awarded a score of +1 for its efforts in development and capacity building in IAARD and for its multi-stakeholder initiative to increase rice crop productivity through the use of practices of sustainable agriculture.

Analyst: Erin Singer

²¹⁹² OECD Review of Agricultural Policies: Indonesia 2012, Organization for Economic Cooperation and Development (Paris) 19 October 2012. Date of Access: 4 January 2013.

http://www.keepeek.com/Digital-Asset-Management/oced/agriculture-and-food/oced-review-of-agricultural-policies-indonesia-2012/policy-trends-and-evaluation_9789264179011-7-en.

²¹⁹³ News and Productivity Monthly Publication Issue 1, Partnership for Indonesia Sustainable Agriculture (Jakarta) November 2012. Date of Access: 5 January 2013.

<http://pisagro.org/wp-content/uploads/2012/11/PISAGRO%20NOV12.pdf>.

²¹⁹⁴ Indonesia - Sustainable Management of Agricultural Research and Technology Dissemination (SMARTD): Procurement Plan, World Bank (Washington) 29 May 2013. Date of Access: 29 June 2013.

http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/05/30/000333037_20130530104129/Rendered/PDF/780830PROP0P110n0SMARTD0061020120NO.pdf.

²¹⁹⁵ Sustainable Management of Agricultural Research and Technology Dissemination (SMARTD): Financials, World Bank (Washington) 31 May 2013. Date of Access: 29 June 2013.

<http://www.worldbank.org/projects/P117243/sustainable-management-agricultural-research-technology-dissemination-smartd?lang=en>.

²¹⁹⁶ Implementation Status & Results Sq. 02: Indonesia Sustainable Management of Agricultural Research and Technology Dissemination (SMARTD), World Bank (Washington) 27 June 2013. Date of Access: 29 June 2013. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2013/06/27/090224b081cc332c/1_0/Rendered/PDF/Indonesia000Su0Report000Sequence002.pdf.

²¹⁹⁷ Implementation Status & Results: Indonesia Sustainable Management of Agricultural Research and Technology Dissemination (SMARTD), World Bank (Washington) 24 November 2012. Date of Access: 5 January 2013. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2012/11/24/090224b0817a0360/1_0/Rendered/PDF/Indonesia000Su0Report000Sequence001.pdf.

Italy: 0

Italy has partially complied with its commitment on sustainable agriculture. Italy has expressed its understanding of the importance of practices sustainable water and soil use and stated its intent to develop and implement such practices. Italy has begun to develop appropriate legislation.

On 11 September 2012, Italy's Minister of Agriculture and Forestry Mario Catania attended the informal Council of Ministers for Agriculture and Fisheries of the European Union. Minister Catania stated that water and soil conservation are fundamental issues, and policies must be developed to address them.²¹⁹⁸ During his speech, the minister referenced the initiatives Italy is undertaking to address these issues domestically. He said changes to the climate in the Mediterranean have led to the need to use and store water more efficiently. As a result, Italy would be investing in new reservoirs, irrigation systems, and conservation programs while also trying to halt overbuilding on agricultural land.²¹⁹⁹

On 15 June 2013, Italy's new Minister of Agriculture, Food and Forestry Policies Nunzia De Girolamo announced that Italy's Council of Ministers had approved a bill that aims to conserve soil consumption and reuse eroded soil.²²⁰⁰ The bill provides for the establishment of an inter-ministerial Committee that would produce an annual report on national soil consumption that will then be presented by the Minister of Agriculture to the Italian Parliament, and set out soil reuse obligations for municipalities.²²⁰¹

Italy has taken steps to develop and implement practices of sustainable use of soils and water. Thus, for approving a bill that monitors soil consumption and sets out soil reuse obligations for Italy's municipalities, Italy is awarded a score of 0.

Analyst: Nikki Vukasovic

Japan: -1

Japan has not complied with its commitment on sustainable agriculture, failing to develop or implement well-known technologies, practices, or techniques such as soil fertility enhancement, minimum tillage, and agroforestry in order to improve the efficiency of water and soil use in a sustainable manner.

On December 2012, the Japan International Research Center for Agricultural Sciences (JIRCAS) — an incorporated Administrative Agency under the Japanese Ministry of Agriculture, Forestry and Fisheries — in conjunction with the Thai Department of Agriculture, hosted an international

²¹⁹⁸ Consiglio Informale Ministri Agricoltura Ue, Catania: Questione Dell'acqua e Salvaguardia Dei Terreni Sono Temi Fondamentali, Servono Politiche Mirate, Ministry of Agricultural, Food, and Forestry Policies (Rome) 11 September 2012. Date of Access: 5 January 2013.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/5406>.

²¹⁹⁹ Consiglio Informale Ministri Agricoltura Ue, Catania: Questione Dell'acqua e Salvaguardia Dei Terreni Sono Temi Fondamentali, Servono Politiche Mirate, Ministry of Agricultural, Food, and Forestry Policies (Rome) 11 September 2012. Date of Access: 5 January 2013.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/5406>.

²²⁰⁰ De Girolamo Comments the Soil Consumption Decree, Agricoltura Italiana Online (Rome) 17 June 2013. Date of Access: 25 June 2013.

<http://www.aiol.it/en/contenuti/attualita/de-girolamo-comments-soil-consumption-decree>.

²²⁰¹ De Girolamo Comments the Soil Consumption Decree, Agricoltura Italiana Online (Rome) 17 June 2013. Date of Access: 25 June 2013.

<http://www.aiol.it/en/contenuti/attualita/de-girolamo-comments-soil-consumption-decree>.

workshop on carbon sequestration in soils through farmland management.²²⁰² The workshop “promoted the information exchange among the researchers in this field and successfully provided the latest achievements in soil carbon sequestration studies and long term soil experiments.”²²⁰³

Internationally, Japan has taken some steps to disseminate its agricultural practices to developing countries. On 28-29 November 2012, the JIRCAS, under the auspices of several Japanese government ministries including the Ministry of Agriculture, Forestry, and Fisheries, the Japan International Cooperation Agency, and the Japan Forum on International Agricultural Research for Sustainable Development, hosted a conference, titled “Resilient Food Production Systems: The Role of Agricultural Technology Development in Developing Regions.”²²⁰⁴

Also, on 19 December 2012, Japanese Government donated 33 units of agricultural mechanization equipment worth USD5 million to Uganda in order to increase Uganda’s capabilities to cope with natural disasters caused by climate change.²²⁰⁵

On 24 July 2013, Government of Japan has pledged PHP2.64 billion (approximately USD61 million) towards the “Mindanao Sustainable Agrarian and Agriculture Development” (MinSAAD) project in the Philippines.²²⁰⁶ The project is aimed to increase agricultural productivity for small-scale agricultural farmers. MinSAAD will help construct irrigation facilities, post-harvest facilities, and farm to market support. MinSAAD ensures sustainable agriculture developed in the Mindanao region of the Philippines.

However, Government of Japan has not yet passed any legislation or taken other actions to improve the sustainability of its domestic agriculture sector.

Thus, despite Japan’s efforts to promote sustainable agriculture internationally, Japan has been an awarded a score of -1.

*Analyst: Joyce Arabian
Lead Analyst: Samantha Young*

²²⁰² JIRCAS International Workshop: Carbon Sequestration in Soils Through Farm Land Management – The Latest World Researches and Relevancy in Southeast Asia, Japan International Research Center for Agricultural Sciences (Tokyo) 6 December 2012. Date of Access: 13 January 2013. <http://www.jircas.affrc.go.jp/english/reports/s20121206e.html>.

²²⁰³ JIRCAS International Workshop: Carbon Sequestration in Soils Through Farm Land Management – The Latest World Researches and Relevancy in Southeast Asia, Japan International Research Center for Agricultural Sciences (Tokyo) 6 December 2012. Date of Access: 13 January 2013. <http://www.jircas.affrc.go.jp/english/reports/s20121206e.html>.

²²⁰⁴ JIRCAS International Symposium 2012 Resilient Food Production Systems, Japan International Research Center for Agricultural Sciences (Tokyo) 29 November 2012. Date of Access: 13 January 2013. <http://www.jircas.affrc.go.jp/english/reports/s20121128e.html>.

²²⁰⁵ Japan Donates Agricultural Equipment, Daily Monitor (Kampala) 19 December 2012. Date of Access: 13 January 2013. <http://www.monitor.co.ug/News/National/Japan-donates-agricultural-equipment/-/688334/1647128/-/1awq7q/-/index.html>.

²²⁰⁶ Farm project in Mindanao to get funds from Japan, Buissness Monitor (Philippines) 16 July 2013. Date of Access: 24 July 2013. <http://businessmirror.com.ph/index.php/en/business/agri-commodities/16548-farm-project-in-mindanao-to-get-funds-from-japan>.

Korea: -1

Korea has not complied with its commitment on sustainable agriculture. It has failed to foster and promote the use of sustainable agricultural technologies, especially in regard to minimizing water use and effective soil management.

Korea's current policy towards the country's agriculture sector is very broad, as the Ministry of Agriculture states that its intentions for the sector are to "reinforce the consumer orientated agricultural food policy and focus on competitiveness improvement focusing primarily on the agricultural management system and systematic promotion of agricultural policy."²²⁰⁷ With regards to the development of technologies within the agricultural sector, Government of Korea is focused on fostering research and development in biotechnology, as opposed to fostering research in sustainability.²²⁰⁸

On 28 November 2012, Al Jazeera released its coverage on Korea and its current development of vertical farms.²²⁰⁹ Korea has been developing new ways to make agriculture more sustainable and environmentally-friendly through focusing on making urban spaces more "green," to the point where skyscrapers could mimic natural conditions for farming.²²¹⁰

Government of Korea has also been sharing its agricultural techniques over the past few years through workshops with officials from around the world.²²¹¹ On 22 August 2012, Government of India's Ministry of Rural Development posted a bulletin for officials to take part in a sustainable agricultural development summit in Korea. The main objectives of the summit are: "to learn cultivation technology and management for environmentally agriculture" and to disseminate Korea's policies on sustainability.²²¹²

²²⁰⁷ Promotion of a Comprehensive Agriculture Industry and Community Plan, Ministry for Food Agriculture Forestry and Fisheries (Sejong) 2012. Date of Access: 26 December 2012. http://english.mifaff.go.kr/eng/list.jsp?group_id=1002&menu_id=1024&link_menu_id=1072&division=H&board_kind=&board_skin_id=&parent_code=1002&depth=1&tab_yn=Y.

²²⁰⁸ Promotion of a Comprehensive Agriculture Industry and Community Plan, Ministry for Food Agriculture Forestry and Fisheries (Sejong) 2012. Date of Access: 26 December 2012. http://english.mifaff.go.kr/eng/list.jsp?group_id=1000&menu_id=1019&link_menu_id=&division=H&board_kind=&board_skin_id=&parent_code=1000&depth=1&tab_yn=N.

²²⁰⁹ Korea's Vertical Farms Envision a Greener Future, Korea Culture and Information Service (Seoul) 28 November 2012. Date of Access: 26 December 2012. <http://www.korea.net/NewsFocus/Sci-Tech/view?articleId=103942>.

²²¹⁰ Korea's Vertical Farms Envision a Greener Future, Korea Culture and Information Service (Seoul) 28 November 2012. Date of Access: 26 December 2012. <http://www.korea.net/NewsFocus/Sci-Tech/view?articleId=103942>

²²¹¹ Korea's Agricultural Technology Goes Global, Korea Culture and Information Service (Seoul) 2 September 2011. Date of Access: 26 December 2012. <http://www.korea.net/NewsFocus/Policies/view?articleId=88567>.

²²¹² Training Programme on Sustainable Agriculture Development, Ministry of Rural Development (New Delhi) 22 August 2012. Date of Access: 26 December 2012. http://rural.nic.in/sites/downloads/latest/Training_Sustainable_Agriculture_Development_Korea11_31Oct12.pdf

On 19 March 2013, Government of Korea released a report stating that it would promote “field-based technological innovation” through the commercialization of agrifood technology.²²¹³ The Korea government will give loans to agrifood businesses which have patents on technology but are lacking the means to produce them.²²¹⁴ However, the report did not explicitly speak of prioritizing sustainable agriculture techniques.

On 24 June 2013, Government of Korea announced that it would be partnering with developing countries in Asia and Africa to provide training on Korea’s sustainable agricultural methods to about 20 agricultural officials.²²¹⁵ Similarly, on 24 June 2013, Government of Korea’s Ministry of Agriculture announced that it would be partnering with the Netherlands on agricultural development, sharing practices and methods.²²¹⁶

Presently, Korea lacks a national program on development and implementation of sustainable agricultural and water use practices. Thus, Korea receives a score of -1.

Analyst: Vipasha Shaikh

Mexico: 0

Mexico has partially complied with the commitment on sustainable agriculture. Mexico has taken steps to improve the efficiency of water and soil use in a sustainable manner by enlarging the budget of a program directed at water and soil conservation.

On 24 September 2012, during a G20 Meeting of Agriculture Chief Scientists, Mexico’s Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), Mayorga Castañeda, stated that as current chair of the G20 he proposed that the primary focus of

²²¹³ Promoting Field Based Technological Innovation & the Creative Economy Through Agrifood Technology Commercialization, Ministry of Agriculture, Food and Rural Affairs (Seoul) 19 March 2013. Date of Access: 1 June 2013.

http://english.mafra.go.kr/eng/list.jsp?id=27963&pageNo=1&NOW_YEAR=2013&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

²²¹⁴ Promoting Field Based Technological Innovation & the Creative Economy Through Agrifood Technology Commercialization, Ministry of Agriculture, Food and Rural Affairs (Seoul) 19 March 2013. Date of Access: 1 June 2013.

http://english.mafra.go.kr/eng/list.jsp?id=27963&pageNo=1&NOW_YEAR=2013&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

²²¹⁵ Exporting Korean Agricultural Policies to Developing Nations in Africa and Asia, Ministry of Agriculture, Food and Rural Affairs (Seoul) 24 June 2013. Date of Access: 25 June 2013.

http://english.mafra.go.kr/eng/list.jsp?id=28056&pageNo=1&NOW_YEAR=2013&group_id=1001&menu_id=1020&link_menu_id=&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

²²¹⁶ The Park Geun-hye Administration joins the Netherlands for Agricultural Development, Ministry of Agriculture, Food and Rural Affairs (Seoul) 24 June 2013. Date of Access: 25 June 2013.

http://english.mafra.go.kr/eng/list.jsp?id=28055&pageNo=1&NOW_YEAR=2013&group_id=1001&menu_id=1020&link_menu_id=&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N.

work on food security this year should be to develop tools to increase agricultural production and productivity in a sustainable manner, creating economic opportunities for small production units.²²¹⁷

On 22 January 2013, Mexico's President Enrique Peña Nieto announced that National Commission for Arid Zones program's (CONAZA) — which seeks to increase economic activity in Mexico's rural areas by funding water and soil conservation projects — budget for 2013 would be MXN720 million, which constitutes an increase of over MXN300 million budgeted in 2012.²²¹⁸ The funds will be applied to programs that benefit the conservation and sustainable use of soil and water and ensure that Mexico's food production could withstand future droughts.²²¹⁹ CONAZA has several components including Conservation and Sustainable Use of Soil and Water (COUSSA). This component “aims to contribute to the conservation, sustainable use and management of land resources, water and vegetation used in primary production” by enabling rural producers to undertake conservation-orientated projects.²²²⁰

On 23 June 2013, the head of SAGARPA Enrique Martinez announced that Mexico was investing MXN780 million to develop arid zones in Mexico.²²²¹ MXN600 million have been allocated to the Small Waterworks Construction (POH) program that will fund 234 projects in order to increase water efficiency and sustainability in Mexico's arid zones.²²²²

Thus, for its increased funding of CONAZA and investment in projects intended to develop infrastructure that will improve water efficiency and sustainability in its arid regions, Mexico was awarded a score of 0.

Analyst: Nikki Vukasovic

Russia: +1

Russia has fully complied with the three components of the commitment on food and agriculture.

On 14 July 2012, the Russian Government approved the State Program of Agricultural Development and Agricultural Products, Raw Materials and Food Markets Regulation in 2013-2020. One of the stated goals of the program is to “improve the efficiency of land and other

²²¹⁷ Inicia Reunión de Científicos Agrícolas del G20, Ganadería, Desarrollo Rural, Pesca y Alimentación (México City) 24 September 2012. Date of Access: 6 January 2013.

<http://www.sagarpa.gob.mx/saladeprensa/discursos2/Paginas/2012D017.aspx>.

²²¹⁸ Impulsará SAGARPA capacidades productivas de habitantes en las zonas áridas de México erradicando asistencialismos, Secretaria De Agricultura Ganadería, Desarrollo Rural, Pesca y Alimentación (México City) 4 February 2012. Date of Access: January 2013.

<http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2013B058.aspx>.

²²¹⁹ Designan a nuevo director general de la CONAZA, Secretaria De Agricultura Ganadería, Desarrollo Rural, Pesca y Alimentación (México City) 22 January 2013. Date of Access: 6 January 2013.

<http://www.sagarpa.gob.mx/saladeprensa/2012/Paginas/2013B031.aspx>.

²²²⁰ ¿Qué hace la CONAZA?, Secretaria De Agricultura Ganadería, Desarrollo Rural, Pesca y Alimentación (México City) 10 July 2012. Date of Access: 9 February 2013.

<http://www.conaza.gob.mx/index.php/consulta-y-servicios/costos-por-reproducción-de-información>.

²²²¹ Invertirá Sagarpa mil 780 mdp en zonas áridas, Grupo Fórmula (México City) 23 June 2013. Date of Access: 25 June 2013.

<http://www.radioformula.com.mx/notas.asp?Idn=334128>.

²²²² Invertirá Sagarpa mil 780 mdp en zonas áridas, Grupo Fórmula (México City) 23 June 2013. Date of Access: 25 June 2013.

<http://www.radioformula.com.mx/notas.asp?Idn=334128>.

resources and ecologization of production process.” The program provides for the measures to conduct amelioration and improve the use of arable land through enhancing of the amelioration systems, funding of research and development activities, and training in this sphere.²²²³

In 2013, construction and modernization of 73 amelioration objects is to be conducted in the framework of implementation of the “Preservation and restoration of soil fertility of agricultural land as a national heritage of Russia for the period of 2006-2010 and up to 2013” federal program. The federal budget spending is planned to amount to approximately USD179 million.

The works on 54 objects are to be completed in 2013.²²²⁴

On 22 January 2013, the Russian Government initiated the development of the federal targeted program “Development of agricultural land amelioration in Russia in 2014 — 2020”²²²⁵ which stipulates measures to improve water resources use in agriculture. Among these measures are: reconstruction and modernization of existing amelioration systems through introduction of new technologies and equipment, agroforestry, phytomeliorative, land clearance activities, research and development exercise.²²²⁶ According to the Deputy Minister of Agriculture Pavel Semenov by 2020 the project’s implementation will allow to bring 841 hectares into agricultural production and to create 92.9 thousand employment opportunities.²²²⁷

In pursuance of the Government decree the Department of Amelioration of the Russian Ministry of Agriculture conducts a number of economically viable regional agricultural development programs, which provide for compensation of the costs of construction and modernization of amelioration systems to the farmers’ enterprises. In 2013 the compensation is planned to amount to approximately USD87.5 million.²²²⁸

Russia has taken actions to improve the efficiency of water and soil use in agriculture through development and implementation of available technologies, soil fertility enhancement and agroforestry. Thus, it gets a score of +1.

Analyst: Andrei Sakharov

²²²³ State Program of Agricultural Development and agricultural products, raw materials and food markets regulation in 2013-2020, Russian Ministry of Agriculture. Date of Access: 26 March 2013. <http://www.mcx.ru/navigation/docfeeder/show/342.htm>.

²²²⁴ The construction and reconstruction of the amelioration complex objects is under way, Russian Ministry of Agriculture 14 February 2013. Date of Access: 26 March 2013. <http://www.mcx.ru/news/news/show/9470.355.htm>.

²²²⁵ Draft federal target program “Development of agricultural land amelioration in Russia in 2014 – 2020”, Russian Ministry of Agriculture 25 March 2013. Date of Access: 27 March 2013. http://www.mcx.ru/documents/document/v7_show/23299.299.htm.

²²²⁶ On approval of the concept of the federal target program "Development of agricultural land amelioration Russia in 2014 - 2020 years", Government of Russia 22 January 2013. Date of Access: 27 March 2013. <http://xn--80aealotwbjpid2k.xn--p1ai/gov/results/22537/>.

²²²⁷ The Future of Amelioration, Russian Ministry of Agriculture 27 March 2013. Date of Access: 27 March 2013. http://www.mcx.ru/news/news/v7_show/10612.285.htm.

²²²⁸ The ameliorated lands are to be put into operation with state support, Russian Ministry of Agriculture 25 March 2013. Date of Access: 27 March 2013. <http://www.mcx.ru/news/news/show/10536.355.htm>.

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment on sustainable agriculture, taking steps to promote sustainable agricultural practices internationally.

On 19 January 2013, Saudi Arabia participated in the 5th Berlin Agriculture Minister's Summit.²²²⁹ The delegation of Saudi Arabia joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²²³⁰

On 9 October 2012, the new Organic Agricultural Policy for Saudi Arabia was presented in Riyadh.²²³¹ The policy encompasses plans for higher agricultural production in addition to certain resource conservation objectives in the organic sector.²²³² The implementation of this policy is forthcoming, and is expected to be adopted in 2013.²²³³

However, the emphasis of Saudi Arabian agricultural policy is, at present, more focused on investment in foreign projects, rather than domestic sustainability. For instance, on 18 September 2012, Saudi Arabian Minister of Agriculture Fahd Balghunaimthe signed an agreement to increase agricultural investment in the Sudan.²²³⁴ Similarly, Eid al-Ma'arik, chairman of the Agricultural Investment Committee at the Saudi Council of Chambers, formally announced the government's decision to invest USD11 billion in foreign agricultural projects, most notably in the Ukraine, Brazil, and Canada.²²³⁵

²²²⁹ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministergipfel2013_EN.pdf?__blob=publicationFile.

²²³⁰ Press release no. 22 from 19.01.13: Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013.

<http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministergipfel.html>.

²²³¹ Organic Agricultural Policy for Saudi Arabia, Research Institute of Organic Agriculture (Frick) 24 October 2012. Date of Access: 8 January 2013.

<http://www.fibl.org/en/service-en/news-archive/news/article/organic-agricultural-policy-for-saudi-arabia.html>.

²²³² Organic Agricultural Policy for Saudi Arabia, Research Institute of Organic Agriculture (Frick) 24 October 2012. Date of Access: 8 January 2013.

<http://www.fibl.org/en/service-en/news-archive/news/article/organic-agricultural-policy-for-saudi-arabia.html>.

²²³³ Organic Agricultural Policy for Saudi Arabia, Research Institute of Organic Agriculture (Frick) 24 October 2012. Date of Access: 8 January 2013.

<http://www.fibl.org/en/service-en/news-archive/news/article/organic-agricultural-policy-for-saudi-arabia.html>.

²²³⁴ Saudi Arabia, Sudan Sign Farm-Investment Accord, Al-Awsat Says, Bloomberg (New York City) 19 September 2012. Date of Access: 8 January 2013.

<http://www.bloomberg.com/news/2012-09-19/saudi-arabia-sudan-sign-farm-investment-accord-al-awsat-says.html>.

²²³⁵ Saudi to Invest Over US\$11bn in Farmland Projects, Arabian Business (Dubai) 20 September 2012. Date of Access: 8 January 2013.

<http://www.arabianbusiness.com/saudi-invest-over-us-11bn-in-farmland-projects-473653.html>.

This trend in Saudi Arabia's policy encourages domestic companies to invest in farms in Africa, with the intention of replacing local production with a stable imported food supply.²²³⁶

Following this initiative, on 14 April 2013, Waleed El-Khereiji, head of the Grains Silos and Flour Mills Organization (GSFMO) announced that Saudi Arabia will cease all domestic production of wheat by 2016.²²³⁷

On 11-12 March 2013, Saudi Arabia hosted the Saudi International Agriculture Technologies Conference 2013, to discuss "water rationing techniques for agriculture, greening techniques using desert plants, and salt tolerant plants," in addition to promoting "clean and organic agriculture techniques."²²³⁸

Saudi Agriculture Minister Dr. Balghunaim affirmed that "the priority of the Ministry of Agriculture is to achieve sustainable agricultural development while conserving our natural resources, particularly water."²²³⁹ However, Saudi Arabia is interested in diverting most of its fresh water for drinking purposes instead of irrigation-intensive crops.²²⁴⁰

Saudi Arabia has engaged in a discussion and formulation of agricultural practices deemed appropriate for the country. Although still lacking domestically-oriented national policies for sustainable agriculture and efficient water use, Saudi Arabia has taken steps to promote sustainable agriculture internationally. For this, Saudi Arabia received a score 0.

Analyst: Mary Davidson

South Africa: +1

South Africa has complied with its commitment on sustainable agriculture, taking steps to improve water use efficiency within the country.

Government of South Africa has engaged in several measures to improve country efficiency in the country's use of water. On 30 August 2012, the South African Department of Water Affairs and Forestry announced that it is set to host a Water Conservation Conference, "calling on municipalities and all water users to reflect on how they can contribute to curbing water losses and curtailing wasteful uses of water."²²⁴¹ Moreover, on 27 August 2012, the Department published the second edition of the South African National Water Resource Strategy.²²⁴²

²²³⁶ Saudi to Invest Over US\$11bn in Farmland Projects, Arabian Business (Dubai) 20 September 2012. Date of Access: 8 January 2013.

<http://www.arabianbusiness.com/saudi-invest-over-us-11bn-in-farmland-projects-473653.html>.

²²³⁷ Kingdom to Halt Wheat Production by 2016, Arab News (Jeddah) 14 April 2013. Date of Access: 29 June 2013. <http://www.arabnews.com/node/448070>.

²²³⁸ Introductory Brochure, Saudi International Agriculture Technologies Conference 2013 (Riyadh) 11 March 2013. Date of Access: 29 June 2013.

<http://www.kacstagri.org/2013/ar/images/Brochure/AR-Brochure.pdf>.

²²³⁹ Introductory Brochure, Saudi International Agriculture Technologies Conference 2013 (Riyadh) 11 March 2013. Date of Access: 29 June 2013.

<http://www.kacstagri.org/2013/ar/images/Brochure/AR-Brochure.pdf>.

²²⁴⁰ Agri-Food Policy in the Kingdom of Saudi Arabia, Farrelly and Mitchell (Riyadh) 15 February 2013. Date of Access 29 June 2013.

<http://www.farrellymitchell.ie/wp-content/uploads/2013/02/AgriculturePolicyintheKSA.pdf>

²²⁴¹ Water Saving in an Ongoing Responsibility, Department of Water Affairs and Forestry (Pretoria) 20 August 2012. Date of Access: 13 January 2013.

On 11 October 2012, South African Minister of Water and Environmental Affairs Edna Molewa presided over the opening of the Rand Water Academy in Zuikerbosch. Minister Molewa “acknowledged that the shortage of appropriate skills and capability in the right places was a critical challenge in the water sector.”²²⁴³ This includes a lack of trained engineers, scientists, and artisans, as well as adequate leadership, governance, and oversight.²²⁴⁴

On 5 November 2012, the Department of Water Affairs and Forestry announced that it would spend a further ZAR258 million “on clean-up, re-habilitation and maintenance of the Hartebeespoort Dam in the North West Province.”²²⁴⁵ Likewise, on 21 November 2012, the Deputy Minister of Water and Environmental Affairs, Ms. Rejoice Mabudafhasi, instituted the “Sandspruit River Clean Up.” The initiative is an effort to “deepen the Department of Water Affairs’ call to communities for active participation in water resource management for sustainability.”²²⁴⁶

Moreover, on 10 December 2012, the South African Department of Water Affairs confirmed that it is taking “measures to ensure sustainable water supply in the short and long term for the Nelson Mandela Bay Municipality and surrounding areas.”²²⁴⁷ The Department established that “the most important measures to ensure water security for this important area are to intensify the implementation of further water conservation and water demand management (WC/WDM) initiatives to ensure efficient use of water.”²²⁴⁸

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Water%20Saving%20is%20an%20Ongoing%20Responsibility.pdf>.

²²⁴² 2nd National Water Resource Strategy, Department of Water Affairs and Forestry (Pretoria) 27 August 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Media%20Briefing%20nd%20National%20Water%20Resource%20Strategy.pdf>.

²²⁴³ Minister of Water and Environmental Affairs to Launch the Rand Water Academy, Department of Water Affairs and Forestry (Pretoria) 11 October 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Rand%20Water%20Academy.pdf>.

²²⁴⁴ Minister of Water and Environmental Affairs to Launch the Rand Water Academy, Department of Water Affairs and Forestry (Pretoria) 11 October 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Rand%20Water%20Academy.pdf>.

²²⁴⁵ More Investment for Hartebeespoort Dam, Department of Water Affairs and Forestry (Pretoria) 5 November 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/More%20investment%20for%20Hartebeespoort%20Dam.pdf>.

²²⁴⁶ Deputy Minister Mabudafhasi to Embark on Sandspruit River Clean Up In Senekal, Free State, Department of Water Affairs and Forestry (Pretoria) 21 November 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Sandspruit%20river%20clean%20up%20in%20Senekal.pdf>.

²²⁴⁷ Sustainable Water Supply for Nelson Mandela Bay Municipality and Surrounding Areas, Department of Water Affairs and Forestry (Pretoria) 10 December 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Algoa%20SSC.pdf>.

²²⁴⁸ Sustainable Water Supply for Nelson Mandela Bay Municipality and Surrounding Areas, Department of Water Affairs and Forestry (Pretoria) 10 December 2012. Date of Access: 13 January 2013.

<http://www.dwaf.gov.za/Communications/PressReleases/2012/Algoa%20SSC.pdf>.

On 6 May 2013, Minister of Agriculture, Forestry, and Fisheries Tina Joemat-Pettersson met with Germany's Minister of Food, Agriculture, and Consumer Protection Ilse Aigner. Discussions included agriculture, trade, and world food security.²²⁴⁹

For its investments in the development of efficient water use practices and efforts to bring municipalities to apply water conservation practices, South Africa is awarded a score of +1.

*Analyst: Joyce Arabian
Lead Analyst: Samantha Young*

Turkey: 0

Turkey has partially complied with its commitment to develop and implement sustainable agricultural practices.

The Turkish government has instituted a number of incentives in order to promote sustainable agriculture. For example, on 6 December 2012, the Turkish Ministry of Food, Agriculture, and Livestock published a communiqué stating that, "farmers engaged in Good Agricultural Practices [are to be] provided with a support payment of TRY20 per decare for fruits and vegetables, and TRY80 per decare for protected farming."²²⁵⁰

In September 2012, Turkey's Agricultural Minister Mehmet Mehdi Eker reported an increase in funding for research and development projects from TRY11 million to TRY126 million in a speech at the opening of the GAP International Agricultural Research and Training Center in Diyarbakir.²²⁵¹

However, most Turkish agricultural research and spending has been focused on increasing production than enhancing sustainability, as demonstrated by the allocation of TRY63 million to help farmers buy modern agricultural machinery and equipment.²²⁵²

Although existing government initiatives, including the National Climate Change Plan (2011-2013)²²⁵³ and the Strategic Plan (2012-2016),²²⁵⁴ seek to address agricultural sustainability and

²²⁴⁹ Minister of Agriculture, Forestry and Fisheries meets her German counterpart, Department of Agriculture, Forestry, & Fisheries (Pretoria) 6 May 2013. . Date of Access: 24 July 2013. <http://www.nda.agric.za/docs/media/Germany%20SA%20Statement.pdf>

²²⁵⁰ Support Payments for Good Agricultural Practices, Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara) 2012. Date of Access: 9 January 2013.

<http://www.tarim.gov.tr/en/agricultural-support/item/537-t%C3%BCrkiye-iyi-tar%C4%B1m-uygulamalar%C4%B1-alan-bazl%C4%B1-destekleme-%C3%B6demeleri.html>.

²²⁵¹ Minister Eker opens the GAP International Agricultural Research and Training Center, Ministry of Food, Agriculture and Livestock (Ankara) 9 January 2013. Date of Access: 9 January 2013. <http://www.tarim.gov.tr/en/guncel-haberler/item/939-gap-diyarbakir-ac%C4%B1l%C4%B1s.html>.

²²⁵² Undersecretary Mirmahmutogullari opens the Agricultural Exhibition in Ankara, Ministry of Food, Agriculture and Livestock (Ankara) 2012. Date of Access: 9 January 2013. <http://www.tarim.gov.tr/en/guncel-haberler/item/927-argotec-mustesar-fuar.html>

²²⁵³ Republic of Turkey National Climate Change Plan, Ministry of Environment and Urbanization (Ankara) July 2011. Date of Access: 9 January 2013.

http://www.cem.gov.tr/erozyon/Files/faaliyetler/dis_iliskiler/iklim_degisikligi_cerceve_sozlesmesi/Cevre_Bak_Ulusal_Eylem_Plani_ing_2011_2023_2_.pdf.

²²⁵⁴ Strategic Plan, Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara) 2012. Date of Access: 9 January 2013.

<http://www.tarim.gov.tr/en/ministry/strategic-plan.html>.

environmental protection, there is very little evidence of these policies being implemented since the Los Cabos Summit.

On 20 June 2013, Turkish Minister of Food, Agriculture and Livestock Mehdi Eker made a speech at the 38th General Session of the Food and Agriculture Organization of the United Nations (FAO) Conference, affirming the importance of preserving natural ecological systems.²²⁵⁵ Minister Eker noted the expected increase in the world's population, which will result in "the requirement for more sustainable use of resources."²²⁵⁶

Thus, Turkey receives a score of 0 for its ongoing financial support of research and development of sustainable agricultural practices.

Analyst: Mary Davidson

United Kingdom: +1

The United Kingdom has fully complied with the commitment to develop and implement sustainable agricultural technologies and practices for efficient water and soil use.

On 31 January 2013, the United Kingdom's Environment Secretary Owen Paterson announced the creation of a new, independent public body to own, maintain, and protect publicly-owned forests.²²⁵⁷ The action is a response to the Independent Panel on Forestry's series of recommendations from the Final Report²²⁵⁸ on forests conservation.²²⁵⁹ The government has expressed its support for many of the recommendations and agreed to pursue appropriate policies, including expanding wooded areas.

On 3 June 2013, Defra launched a EUR1.6 million project on improving river health within the United Kingdom.²²⁶⁰ The initiative empowers local communities to help preserve river water quality within their regions. The United Kingdom seeks to ensure it has enough clean river water for the future through sustainable, eco-friendly measures.²²⁶¹

²²⁵⁵ "I Look Forward to Your Support for Turkey's FAO Council Membership," Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara), 20 June 2013. Date of Access: 29 June 2013. <http://www.tarim.gov.tr/Sayfalar/Eng-1033/HaberDetay.aspx?ListName=Haberler&rid=176&refId=173>.

²²⁵⁶ "I Look Forward to Your Support for Turkey's FAO Council Membership," Republic of Turkey Ministry of Food, Agriculture and Livestock (Ankara), 20 June 2013. Date of Access: 29 June 2013. <http://www.tarim.gov.tr/Sayfalar/Eng-1033/HaberDetay.aspx?ListName=Haberler&rid=176&refId=173>.

²²⁵⁷ New public body will protect forests for future generations, Department for Environment, Food, and Rural Affairs (London) 31 January 2013. Date of Access: 14 February 2013. <http://www.defra.gov.uk/news/2013/01/31/protect-forests/>.

²²⁵⁸ Independent Panel on Forestry – Final Report, Department for Environment, Food, and Rural Affairs (London) 4 July 2012. Date of Access: 14 February 2013. <http://www.defra.gov.uk/forestrypanel/reports/>.

²²⁵⁹ Government Forestry and Woodlands Policy Statement Incorporating the Government's Response to the Independent Panel on Forestry's Final Report, Department for Environment, Food, and Rural Affairs (London) 31 January 2013. Date of Access: 14 February 2013. <http://www.defra.gov.uk/publications/files/pb13871-forestry-policy-statement.pdf>.

²²⁶⁰ River Health Gets EUR1.6 Million Boost, Department for Environment, Food and Rural Affairs (London) 3 June 2013. Date of Access: 4 June 2013. <https://www.gov.uk/government/news/river-health-gets-16-million-boost>

²²⁶¹ River Health Gets EUR1.6 Million Boost, Department for Environment, Food and Rural Affairs (London) 3 June 2013. Date of Access: 4 June 2013. <https://www.gov.uk/government/news/river-health-gets-16-million-boost>

In January 2013, the United Kingdom participated in the 5th Berlin Agriculture Minister's Summit.²²⁶² The British delegation joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²²⁶³

On 28 December 2012, the Department for Environment, Food and Rural Affairs (Defra) concluded a competition amongst entrepreneurs which sought to find sustainable technologies that could protect homes from flooding and conserve water especially in rural communities.²²⁶⁴

On 17 December 2012, Government of Britain announced that it was on track to planting one million new trees on British soil. The Big Tree Plant is a project that seeks to make urban places healthier. One in ten new trees is also being planted to create new orchards for communities to grow their own food.²²⁶⁵

On 10 July 2012, at a meeting of the Green Food Project Steering Group launched its initial report on the Green Food Project — a government-sponsored study on how Britain's food system must change to meet growing consumption and environmental demands. The report noted that the first steps to reforming Britain's food system include “introducing more innovative technology” and “improving conservation management.”²²⁶⁶

Furthermore, on 10 July 2012, the British Parliament announced its intention to reform the country's water industry. The government seeks to open up the national water market in order to “drive innovation and open the market to new companies.”²²⁶⁷ It is hoped that “increased competition in the wholesale market will give water companies an incentive to come up with cheaper, more sustainable solutions to sourcing water.”²²⁶⁸

²²⁶² Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministertgipfel2013_EN.pdf?__blob=publicationFile.

²²⁶³ Press release no. 22 from 19.01.13: Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. <http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministertgipfel.html>.

²²⁶⁴ New Technology to Protect Homes From Flooding, Department for Environment Food and Rural Affairs (London) 28 December 2012. Date of Access: 29 December 2012. <http://www.defra.gov.uk/news/2012/12/28/new-technology-to-protect-homes-from-flooding/>.

²²⁶⁵ On Track to Plant One Million New Neighbourhood Trees in England, Department for Environment Food and Rural Affairs (London) 17 December 2012. Date of Access: 23 December 2012. <http://www.defra.gov.uk/news/2012/12/17/big-tree-plant/>.

²²⁶⁶ Feeding the Nation and Enriching the Environment, Department for Environment Food and Rural Affairs (London) 10 July 2012. Date of Access: 23 December 2012. <http://www.defra.gov.uk/news/2012/07/10/green-food-project/>.

²²⁶⁷ Government Sets out Ambitious Reform of the Water Industry, Department for Environment Food and Rural Affairs (London) 10 July 2012. Date of Access: 23 December 2012. <http://www.defra.gov.uk/news/2012/07/10/water-industry-refor/>.

²²⁶⁸ Government Sets out Ambitious Reform of the Water Industry, Department for Environment Food and Rural Affairs (London) 10 July 2012. Date of Access: 23 December 2012. <http://www.defra.gov.uk/news/2012/07/10/water-industry-refor/>.

Just prior to the Los Cabos Summit, in May 2012, Secretary of State for the Environment Carol Spelman made a statement that the Rio+20 Summit should prioritize sustainable agriculture.²²⁶⁹

The United Kingdom has taken action to promote the development and implementation of sustainable practices in forestry and water use. Thus, the United Kingdom received a score of +1.

Analyst: Vipasha Shaikh

United States: +1

The United States has fully complied with its commitment to support the development and use of sustainable agriculture methods in the face of a changing change.

On 24 August 2012, the United States' Secretary of Agriculture Tom Vilsack announced that the United States Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) would award USD26 million in Conservation Innovation Grants. These grants will be allocated to projects that develop and demonstrate innovative approaches for land conservation, including the areas of soil health improvement and water quality protection.²²⁷⁰

On 20 September 2012, the USDA partnered with the state of Colorado to launch the Rio Grande Basin Water Conservation Project to help conserve irrigation water and reduce groundwater withdrawal in the Rio Grande Basin. The program will be voluntary for agricultural producers in the area.²²⁷¹

Furthermore, on 10 September 2012, the USDA's Agricultural Research Service (ARS) announced the creation of a Long Term Agro-Ecosystem Research network to support the ARS' established long-term research in agricultural sustainability.²²⁷²

On 25 April 2013, the NRCS announced an additional USD35 million in financial assistance to farmers and ranchers in priority watershed areas to implement conservation practices intended to improve water quality.²²⁷³

Thus, for its investments in the development of water and soil conservation practices and the involvement with the implementation of the Rio Grande Basin Water Conservation Project, the United States is awarded a score of +1.

²²⁶⁹ Rio+20 Should Prioritise Sustainable Agriculture Says Caroline Spelman, The Guardian News UK (London) 24 May 2012. Date of Access: 28 December 2012.
<http://www.guardian.co.uk/global-development/2012/may/24/rio-20-sustainable-agriculture-caroline-selman>.

²²⁷⁰ USDA Awards \$26 Million in Conservation Innovation Grants, United States Department of Agriculture (Washington) 24 August 2012. Date of Access: 6 January 2013.
<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/newsroom/releases/?cid=STELPRDB1048728>.

²²⁷¹ USDA and Colorado Announce Rio Grande Basin Water Conservation Project Agreement, United States Department of Agriculture (Washington) 20 September 2012. Date of Access: 6 January 2013.
http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0304.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

²²⁷² USDA Establishes National Watershed Research Network, United States Department of Agriculture (Washington) 10 September 2012. Date of Access: 6 January 2013.
http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0304.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent.

²²⁷³ NRCS helps improve water quality in watersheds across the country, United States Department of Agriculture (Washington) 25 April 2013. Date of Access: 4 July 2013.
<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/newsroom/releases/?cid=STELPRDB1097813>.

European Union: 0

The European Union has partially complied with its commitment to support the development of and greater use of water and soil conservation practices. The European Union has spoken supportively on the matter and recently passed a sustainability-focused reform of its agricultural policy.

In January 2013, the European Union's several member states as well as the European Commission participated in the 5th Berlin Agriculture Minister's Summit.²²⁷⁴ The delegations of the European Union member states and the European Commission joined the Summit's participants in a call to increase capital investments to develop a sustainable agri-food industry, especially in developing countries.²²⁷⁵

The primary initiative of the European Union in relation to sustainable agriculture is the ongoing preparation of the Common Agricultural Policy (CAP) reform.²²⁷⁶ In October 2012, the European Commission presented a series of legal proposals designed to transform the existing CAP into a more effective policy for a more economically vibrant and sustainable agriculture.²²⁷⁷ The debate with concerned institutions and stakeholders is ongoing and expected to culminate in the approval and enactment of the CAP reform by 1 January 2014.²²⁷⁸ On 23 January 2013, the members of the European Parliament voted on the two provisions of the CAP reform, direct payments and rural development, thus adhering to the established timeline.²²⁷⁹

On 26 June 2013, the European Commission, the European Parliament, and the European Council reached a political agreement on CAP Reform.²²⁸⁰ The European Commission noted: "All Member States, all rural areas and all farmers will take simple, proven measures to promote

²²⁷⁴ Participating countries of the Berlin Agriculture Ministers' Summit 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. http://www.bmelv.de/SharedDocs/Downloads/Ministerium/Veranstaltungen/GFFA2013/participating_countries_Agrarministertgipfel2013_EN.pdf?__blob=publicationFile.

²²⁷⁵ Press release no. 22 from 19.01.13: Berlin Agriculture Ministers' Summit 80 countries commit themselves to a resolute fight against hunger, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 19 January 2013. Date of Access: 8 February 2013. <http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2013/0022-Internationaler-Agrarministertgipfel.html>.

²²⁷⁶ The Common Agricultural Policy after 2013, Agriculture and Rural Development (Brussels) 7 June 2012. Date of Access: 15 February 2013. <http://ec.europa.eu/agriculture/cap-post-2013/>.

²²⁷⁷ Legal proposals for the CAP after 2013, Agriculture and Rural Development (Brussels) 12 October 2012. Date of Access: 15 February 2013. http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm.

²²⁷⁸ The Common Agricultural Policy after 2013, Agriculture and Rural Development (Brussels) 7 June 2012. Date of Access: 15 February 2013. <http://ec.europa.eu/agriculture/cap-post-2013/>.

²²⁷⁹ Ministers to take stock of MEP's stance on CAP, European Voice (Brussels) 24 January 2013. Date of Access: 15 February 2013. <http://www.europeanvoice.com/article/imported/ministers-to-take-stock-of-meps-stance-on-cap/76233.aspx>.

²²⁸⁰ Political Agreement on New Direction for Common Agricultural Policy, European Commission (Brussels) 26 June 2013. Date of Access: 29 June 2013. http://europa.eu/rapid/press-release_IP-13-613_en.htm.

sustainability and combat climate change. Between 2014 and 2020, over EUR100 billion will be invested to help farming meet the challenges of soil and water quality, biodiversity and climate change.”²²⁸¹ The agreement includes linking direct payments to farmers using specific environmentally-friendly practices, and devoting at least 30% of rural development programmes’ budgets to sustainable agriculture projects and practices.²²⁸²

Thus, the European Union is awarded a score of 0 for its sustainable agricultural policy reform commitments in support of the greater use of available technologies such as crop diversification, maintaining permanent grasslands, conserving areas of ecological interest, agri-environmental measures, supporting organic farming, and environmentally-friendly investment and innovation.

Analyst: Erin Singer
Co-director of Compliance: Vera V. Gavrilova

2281 Political Agreement on New Direction for Common Agricultural Policy, European Commission (Brussels) 26 June 2013. Date of Access: 29 June 2013.

http://europa.eu/rapid/press-release_IP-13-613_en.htm.

2282 Political Agreement on New Direction for Common Agricultural Policy, European Commission (Brussels) 26 June 2013. Date of Access: 29 June 2013.

http://europa.eu/rapid/press-release_IP-13-613_en.htm.

10. Climate Change

Commitment [#91]

“We reiterate our commitment to fight climate change and welcome the outcome of the 17th Conference of the Parties to the UN climate change conferences.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia	-1		
Italy		0	
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa			+1
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.70	

Background

The G20 first addressed the issue of climate change at its inaugural summit in Washington, D.C. in 2008.²²⁸³ The topic remains of enormous importance for all members moving forward. It is recognized that, “climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all [countries].”²²⁸⁴ Many commitments made at past G20 summits have either dealt directly with climate change, or have had climate change as an underlying theme. These include commitments relating to clean energy,

²²⁸³ Declaration of the Summit on Financial Markets and the World Economy, 2008 Washington Summit, G20 Information Centre (Toronto) 15 November 2008. Date of Access: 7 December 2012. www.g7.utoronto.ca/g20/2008/2008declaration1115.html.

²²⁸⁴ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012. <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

food and agriculture, among others. At the London Summit in 2009, G20 members expressed their support for the United Nations Framework Convention on Climate Change (UNFCCC).²²⁸⁵

The UNFCCC is an international treaty joined by countries in 1992 in their effort to “cooperatively consider what they could do to limit average global temperature increases and the resulting climate change, and to cope with whatever impacts were, by then, inevitable.”²²⁸⁶ The Conference of the Parties (COP) is the supreme decision-making body of the Convention. All countries that are Parties to the Convention are represented at the COP. The COP is tasked with reviewing the national communications and emission inventories submitted by Parties to the Convention. Based on the information gathered, the COP evaluates the effects of measures taken by Parties as well as the progress made on the road to the ultimate goal of the Convention. The COP meets annually.²²⁸⁷

The Convention divides countries into three main categories in accordance with different commitments²²⁸⁸:

- Annex I Parties represent the industrialized countries that were member of the Organisation for Economic Co-operation and Development (OECD) in 1992, as well as countries with economies in transition (EIT), including the Russian Federation, the Baltic States, and a number of Central and Eastern European States.
- Annex II Parties include the OECD members of Annex I, but not the EIT Parties. They are responsible for delivering financial resources to enable developing countries to undertake emission reductions as well as to help them to adapt to adverse effects of climate change. Additionally, they are asked to promote the development and transfers of environmental friendly technologies to EIT Parties and developing countries.
- Non-Annex I Parties consist largely of developing countries that are particularly vulnerable to either the adverse impacts of climate change (such as countries with low-lying coastal areas and those prone to desertification and drought) or the potential economic impacts of climate change (such as countries that are reliant on income from fossil fuel production).

Below, Table 10-1 details the G20 members’ belonging to the three described categories. Table 10-2 enlists dates of signature, ratification, and entry into force of the Convention for the G20 members.

²²⁸⁵ Global Plan for Recovery and Reform, 2009 London Summit, G20 Information Centre (Toronto) 2 April 2009. Date of Access: 7 December 2012.
www.g7.utoronto.ca/g20/2009/2009communique0402.html.

²²⁸⁶ Background on the UNFCCC: The international response to climate change, United Nations Framework Convention on Climate Change (Bonn) 2012. Date of Access: 8 December 2012.
http://unfccc.int/essential_background/items/6031.php.

²²⁸⁷ Conference of the Parties (COP): What is the COP?, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 8 December 2012.
<http://unfccc.int/bodies/body/6383.php>.

²²⁸⁸ Parties to the Convention and Observer States, United Nations Framework Convention on Climate Change (Bonn) 2012. Date of Access: 13 December 2012.
http://unfccc.int/parties_and_observers/parties/items/2352.php.

Table 10-1: The G20 members' categorization under the UNFCCC

Annex I	Annex II	Non-Annex I
Australia	Australia	Brazil
Canada	Canada	China
France	France	India
Germany	Germany	Indonesia
Italy	Italy	Korea
Japan	Japan	Mexico
Russia	United Kingdom	Saudi Arabia
Turkey	United States	South Africa
United Kingdom	European Union	
United States		
European Union		

Sources: List of Annex I Parties to the Convention, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

http://unfccc.int/parties_and_observers/parties/annex_i/items/2774.php; Full Text of the Convention: Annex II, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

http://unfccc.int/essential_background/convention/background/items/1348.php; List of Non-Annex I Parties to the Convention, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

http://unfccc.int/parties_and_observers/parties/non_annex_i/items/2833.php.

Table 10-2: Dates of signature, ratification and entry into force of the UNFCCC for G20 members

Country	Date of signature	Date of ratification	Date of entry into force
Argentina	12 June 1992	11 March 1994	09 June 1994
Australia	04 June 1992	30 December 1992	21 March 1994
Brazil	04 June 1992	28 February 1994	29 May 1994
Canada	12 June 1992	04 December 1992	21 March 1994
China	11 June 1992	05 January 1993	21 March 1994
France	13 June 1992	25 March 1994	23 June 1994
Germany	12 June 1992	09 December 1993	21 March 1994
India	10 June 1992	01 November 1993	21 March 1994
Indonesia	05 June 1992	23 August 1994	21 November 1994
Italy	05 June 1992	15 April 1994	14 July 1994
Japan	13 June 1992	28 May 1993	21 March 1994
Korea	11 June 1992	05 December 1994	05 March 1995
Mexico	13 June 1992	11 March 1993	21 March 1994
Russia	13 June 1992	28 December 1994	28 March 1995
Saudi Arabia	n/a	28 December 1994	28 March 1995
South Africa	15 June 1993	29 August 1997	27 November 1997
Turkey	n/a	24 February 2004	24 May 2004
United Kingdom	12 June 1992	08 December 1993	21 March 1994
United States	12 June 1992	15 October 1992	21 March 1994
European Union	13 June 1992	21 December 1993	21 March 1994

Note: n/a = not applicable.

Source: United Nations Framework Convention on Climate Change (Bonn), Parties to the Convention and Observer Status. Date of Access: 13 December 2012.

http://unfccc.int/parties_and_observers/parties/items/2352.php

The 17th Conference of the Parties to the UNFCCC (COP 17) was held on 28 November to 9 December 2011 in Durban, South Africa. There, state leaders, including all G20 members, consented to the adoption of a legally binding agreement on climate change, which will be prepared “as soon as possible, and no later than 2015.”²²⁸⁹ A management framework for a Green Climate Fund was also adopted. For major decision blocks, separate Working Groups were created to operationalize decisions.

Commitment Features

A number of decisions were made at the COP 17 that require or invite action on the behalf of the Parties in a progressive approach to fight climate change. Based on the major outcomes of the Conference, the following are the components to watch in this commitment, all of which are to be made in conjunction with their respective Ad Hoc Working Groups, should such exist:

The Member must adhere to the requests of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) — a platform whose purpose is “to develop a protocol, another legal

²²⁸⁹ Durban Climate Change Conference, United Nations Framework Convention on Climate Change (Bonn) 11 December 2011. Date of Access: 7 December 2012.

http://unfccc.int/meetings/durban_nov_2011/meeting/6245.php.

instrument or an agreed outcome with legal force under the Convention applicable to all Parties.”²²⁹⁰ In accordance with draft decision 1/CP.17, which established the ADP, all Parties were requested to submit by 28 February 2012 their views on “options and ways for further increasing the level of ambition and possible further actions.”²²⁹¹

The Member’s actions must be in accordance with the Long-Term Cooperative Action (LCA) plan, whose Ad Hoc Working Group on Long-term Cooperative Action under the Convention was established to “conduct a comprehensive process to enable the full, effective and sustained implementation of the Convention.”²²⁹² The LCA plan includes a set of decisions regarding climate change mitigation, adaptation, finance, technology development and transfer, and capacity-building.²²⁹³

The Member’s actions should be in support of the launch of the Green Climate Fund. In accordance with draft decision 3/CP.17, the Green Climate Fund was designated “as an operating entity of the financial mechanism of the Convention.” All Parties are invited “to make financial contributions for the start-up of the Green Climate Fund.”²²⁹⁴

Established at the COP 16, the Technology Executive Committee’s purpose is to enhance action on technology development and transfer to support action on mitigation and adaptation. Decision 4/CP.17 encourages all Parties “in a position to do so to supplement the financial resources made available through the UNFCCC core budget for the implementation of the activities of the Technology Executive Committee.”²²⁹⁵

²²⁹⁰ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²²⁹¹ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²²⁹² Report of the Conference of the Parties at its Thirteenth Session, held in Bali from 3 to 15 December 2007, United Nations Framework Convention on Climate Change (Bonn) 14 March 2008. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf#page=3>.

²²⁹³ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²²⁹⁴ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²²⁹⁵ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

National Adaptation Plans are needed in order to “reduce vulnerability to the impacts of climate change by building adaptive capacity and resilience.”²²⁹⁶ The purpose of such plans is to integrate climate change adaptation into new and existing policies and programmes within all relevant sectors, based on nationally identified priorities. Decision 5/CP.17 invites Parties to strengthen their engagement with regional centres and networks in the process of formulation and implementation of national adaptation plans. It also requests developed country Parties to continue to provide least developed countries with finance, technology, and capacity-building.

Decision 6/CP.17 invites Parties to submit to the secretariat their views on potential future areas of work for the Nairobi Work Programme on Impacts, Vulnerability and Adaptation to Climate Change.²²⁹⁷ Parties are also invited to facilitate information exchange and collaboration between partners, and, when able, to provide financial support for the implementation of the programme.

The Work Programme on Loss and Damage was established to consider approaches on how best to address loss and damage associated with climate change impacts in developing countries. Decision 7/CP.17 invites developed country Parties that are able to provide financial and technical support for the programme’s implementation.

The Forum and Work Programme on the Impact of the Implementation of Response Measures was established to serve as a platform for a “structured exchange of information on both the positive and negative consequences of response measures and on ways to maximize the positive and minimize the negative consequences for Parties.”²²⁹⁸

Decision 9/CP.17 calls for continued support for the Least Developed Countries Fund, encouraging “support for the implementation of elements of the least developed countries work programme other than national adaptation programmes of action.”²²⁹⁹

Decision 11/CP.17 invites Parties to submit to the secretariat annually their views and recommendations on the elements to be taken into account in developing guidance to the Global Environmental Facility.²³⁰⁰

²²⁹⁶ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²²⁹⁷ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²²⁹⁸ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²²⁹⁹ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²³⁰⁰ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

Decision 12/CP.17 invites Parties “to submit information and rationale on the development of their forest reference emission levels [...], including details on national circumstances.”²³⁰¹

Decision 13/CP.17, Capacity-Building Under the Convention, invites able Parties to continue to provide financial resources to support capacity-building action in developing countries, and to enhance reporting on best practices related to capacity-building with “a view to furthering learning and broadening the impact of capacity building activities.”²³⁰²

In order to assist with the Revision of the UNFCCC Reporting Guidelines on Annual Inventories for Parties Included in Annex I to the Convention, Parties are invited to provide financial resources for the upgrade and development of CRF Reporter software “in order to enable the trial and mandatory use of the revised UNFCCC Annex I inventory reporting guidelines by Annex I Parties.”²³⁰³

Decision 16/CP.17 urges Parties to utilize the Research Dialogue on Developments in Research Activities Relevant to the Needs of the Convention as a forum for both discussing needs for climate change research and research-related capacity building, and for conveying research findings and lessons learned.²³⁰⁴

Decision 18/CP.17 relating to the Programme Budget for the Biennium 2012-2013 invites “all Parties to the Convention to note that contributions to the core budget are due on 1 January of each year [...] and to pay promptly and in full, for each of the years 2012 and 2013, the contributions required to finance expenditures.”²³⁰⁵ The Decision also urges Parties to make voluntary contributions to facilitate the timely implementation of the decisions taken at COP 17.

With regards to Dates and Venues of Future Sessions, Decision 19/CP.17 invites Parties to “come forward with offers to host the twentieth session of the Conference of the Parties and the tenth

²³⁰¹ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

²³⁰² Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²³⁰³ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²³⁰⁴ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²³⁰⁵ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.²³⁰⁶

The decisions of the COP 17 are viewed as the latest and most progressive set of tools developed to combat climate change developed by the international community. Therefore, a country must adhere to the COP 17 decisions to effectively fight climate change. Consequently, a country's progress in the process of fighting climate change can be evaluated by the country's level of adherence to the aforementioned decisions.

Hence, in order for a country to fully comply with the commitment to fight climate change, the country must declare intent to fully adhere to the COP 17 decisions and be in the process of doing so. A country partially complies with the commitment if it declares intent to fully adhere to the COP 17 decisions, yet takes no steps to do so. A country that neither acts on the COP 17 decisions nor declares intent to do so fails to comply with the commitment.

Scoring Guidelines

-1	Member takes no active steps to adhere to the decisions of the COP 17 AND declares no intent to do so.
0	Member declares its intent to fully adhere to the decisions of the COP 17 but does not begin doing so.
+1	Member declares its intent to fully adhere the decisions of the COP 17 AND begins acting on the decisions.

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Argentina: +1

Argentina has fully complied with its commitment to continue to fight climate change, declaring its intent to adhere to and begin implementing the decisions of the COP 17.

Under the UNFCCC, Argentina is categorized as a Non-Annex I member State.²³⁰⁷ Argentina signed the Climate Change Convention on 12 June 1992 and ratified it on 11 March 1994. The Convention entered into force on 9 June 1994.²³⁰⁸

On 16 January 2013, energy ministers and senior officials from South American and Arab Countries (ASPA) adopted the Abu Dhabi Declaration on enhanced cooperation at the organization's inaugural meeting on energy.²³⁰⁹ Argentina, as a party to the declaration,

²³⁰⁶ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.
<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=3>

²³⁰⁷ Parties & Observer States: Argentina, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 24 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=AR>.

²³⁰⁸ Parties & Observer States: Argentina, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 24 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=AR>.

²³⁰⁹ First Energy Ministerial of South American and Arab Countries (ASPA) Adopts Abu Dhabi Declaration, International Institute for Sustainable Development (New York) 16 January 2013. Date of Access: 9 February 2013.

reaffirmed its commitment to further cooperate in the areas of renewable energy and energy efficiency, among others.²³¹⁰ Key provisions of the declaration include: cooperative efforts through the International Renewable Energy Agency (IRENA) and the Latin American Energy Organization (OLADE), as well as support for domestic energy efficiency programmes.²³¹¹

On 5 September 2012, Argentinian President Cristina Fernández de Kirchner, the Minister of Agriculture Norberto Yauhar, along with the Minister of Federal Planning, Public Investment, and Services Julio De Vido, signed an agreement to launch Project PROBIOMASA.²³¹² The project will allow the transformation of biodegradable waste into biogas and other bioenergy products, which will contribute to the diversification of energy sources and to more renewable energy in Argentina.²³¹³ The project will be executed by the United Nations Food and Agriculture Organization (FAO), and will be carried out until 2015. By 2015, the project is set to triple biomass as a share of the national energy balance and will contribute to the reduction of greenhouse gas emissions and to the development of more renewable energy in Argentina.²³¹⁴ The project is set to improve the capacity and infrastructure to enable the use of biomass for energy production, working with policymakers to develop a more robust national bioenergy policy.²³¹⁵

On 23 November 2012, experts from countries belonging to the La Plata Basin, including Argentina, met to develop a common regional agenda on water risk management in agriculture

<http://climate-l.iisd.org/news/first-energy-ministerial-of-south-american-and-arab-countries-aspa-adopts-abu-dhabi-declaration/>

²³¹⁰ First Energy Ministerial of South American and Arab Countries (ASPA) Adopts Abu Dhabi Declaration, International Institute for Sustainable Development (New York) 16 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/first-energy-ministerial-of-south-american-and-arab-countries-aspa-adopts-abu-dhabi-declaration/>

²³¹¹ First Energy Ministerial of South American and Arab Countries (ASPA) Adopts Abu Dhabi Declaration, International Institute for Sustainable Development (New York) 16 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/first-energy-ministerial-of-south-american-and-arab-countries-aspa-adopts-abu-dhabi-declaration/>

²³¹² Convenio Entre los Ministerios de Agricultura y de Planificación para Impulsar Energías Alternativas, Oficina Regional de la FAO para América Latina y el Caribe (Santiago) 5 September 2012. Date of Access: 31 December 2012.

<http://www.rlc.fao.org/es/paises/argentina/noticias/convenio-entre-los-ministerios-de-agricultura-y-de-planificacion-para-impulsar-energias-alternativas/>

²³¹³ Convenio Entre los Ministerios de Agricultura y de Planificación para Impulsar Energías Alternativas, Oficina Regional de la FAO para América Latina y el Caribe (Santiago) 5 September 2012. Date of Access: 31 December 2012.

<http://www.rlc.fao.org/es/paises/argentina/noticias/convenio-entre-los-ministerios-de-agricultura-y-de-planificacion-para-impulsar-energias-alternativas/>

²³¹⁴ Convenio Entre los Ministerios de Agricultura y de Planificación para Impulsar Energías Alternativas, Oficina Regional de la FAO para América Latina y el Caribe (Santiago) 5 September 2012. Date of Access: 31 December 2012.

<http://www.rlc.fao.org/es/paises/argentina/noticias/convenio-entre-los-ministerios-de-agricultura-y-de-planificacion-para-impulsar-energias-alternativas/>

²³¹⁵ Convenio Entre los Ministerios de Agricultura y de Planificación para Impulsar Energías Alternativas, Oficina Regional de la FAO para América Latina y el Caribe (Santiago) 5 September 2012. Date of Access: 31 December 2012.

<http://www.rlc.fao.org/es/paises/argentina/noticias/convenio-entre-los-ministerios-de-agricultura-y-de-planificacion-para-impulsar-energias-alternativas/>

systems as part of the region's Strategic Action Plan (SAP).²³¹⁶ The group agreed on priorities for the common agenda, which include: (1) identifying regional coordination mechanisms to strengthen or create institutional and logistical aspects of risk management; (2) encouraging the exchange of information; (3) facilitating the transfer of technology and capacity-building.²³¹⁷ The group agreed to meet again in 2013 to further develop the agenda. The SAP is executed by the Intergovernmental Coordinating Committee of La Plata Basin Countries (CIC)²³¹⁸ and is part of the effort to improve engagement with regional networks to formulate and implement national adaptation plans.

On 29 June 2012, Argentina in a joint statement with MERCOSUR leaders called for greater cuts in greenhouse gas emissions by developed countries, the provision of more climate-related financial resources, and for the facilitation of the transfer of green technologies.²³¹⁹

Previously, Argentina has expressed its support for the goals of the COP 17. On 6 December 2011, Vice Minister of Foreign Affairs Ambassador Alberto Pedro D'Alotto spoke at the Joint High-Level Segment of the COP 17 on behalf of the Group of 77 (G77) and China. Ambassador D'Alotto reiterated Argentina's desire to achieve the objectives of the Convention.²³²⁰ Additionally, Ambassador D'Alotto stated that the Durban "process has to deliver," urging the proposals of the COP 17 to come to fruition and calling for the Parties to take stronger efforts in order to achieve successful outcomes.²³²¹

²³¹⁶ Manejo de Riesgo Hídrico en los Sistemas Agropecuarios, Comité Intergubernamental Coordinador de los Países de la Cuenca del Plata (Buenos Aires) 23 November 2012. Date of Access: 1 January 2012.

<http://www.proyectoscic.org/news/manejo-de-riesgo-hidrico-en-los-sistemas-agropecuarios>.

²³¹⁷ Manejo de Riesgo Hídrico en los Sistemas Agropecuarios, Comité Intergubernamental Coordinador de los Países de la Cuenca del Plata (Buenos Aires) 23 November 2012. Date of Access: 1 January 2012.

<http://www.proyectoscic.org/news/manejo-de-riesgo-hidrico-en-los-sistemas-agropecuarios>.

²³¹⁸ La Plata Basin Countries Consider Agenda on Water Risk Management in Agricultural Systems, International Institute for Sustainable Development (New York) 5 December 2012. Date of Access: 1 January 2012.

<http://climate-l.iisd.org/news/la-plata-basin-countries-consider-agenda-on-water-risk-management-in-agricultural-systems/>

²³¹⁹ La Plata Basin Countries Consider Agenda on Water Risk Management in Agricultural Systems, International Institute for Sustainable Development (New York) 5 December 2012. Date of Access: 1 January 2012.

<http://climate-l.iisd.org/news/la-plata-basin-countries-consider-agenda-on-water-risk-management-in-agricultural-systems/>

²³²⁰ Statement on Behalf of the Group of 77 and China by H.E. Ambassador Mr. Alberto Pedro D'Alotto, Vice Minister of Foreign Affairs of Argentina, at the Joint High-Level Segment of the Seventeenth Session of the Conference of the Parties of the Climate Change Convention and the Seventeenth Session of the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol, High-level Segment of COP 17 (Durban) 6 December 2011. Date of Access: 25 January 2013.

http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111206_cop17_hls_argentina_behalf_g77_china.pdf.

²³²¹ Statement on Behalf of the Group of 77 and China by H.E. Ambassador Mr. Alberto Pedro D'Alotto, Vice Minister of Foreign Affairs of Argentina, at the Joint High-Level Segment of the Seventeenth Session of the Conference of the Parties of the Climate Change Convention and the Seventeenth Session of the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol, High-level Segment of COP 17 (Durban) 6 December 2011. Date of Access: 25 January 2013.

http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111206_cop17_hls_argentina_behalf_g77_china.pdf.

Argentina has been participating in the working groups of the UNFCCC. On 3 September 2012, Argentina, along with 19 other developing countries, submitted a joint document, the “Draft Decision on Shared Vision,” to the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA). The document calls for Annex I Parties to take the lead in cutting emissions, as stipulated by decision 1/CP.16, to reflect their responsibility for the bulk of emissions, and to allow developing countries to achieve their primary goals of eradicating poverty and social development, as per Article 4, paragraph 7, of the Convention.²³²² Additionally, the document calls for Parties and the Green Climate Fund to regard adaptation with the same priority as mitigation, and for developed countries to aid developing countries in their adaptation efforts.²³²³

On 30 August 2012, Argentina, along with a group of Parties, submitted a proposal to the AWG-LCA on enhanced action on adaptation. The document affirmed the need to promote implementation of enhanced action on adaptation under the Convention. Keeping with Decision 1/CP.17, the document suggested that the Adaptation Committee establish a process to develop recommendations with Convention bodies and others to “incentivize the implementation of adaptation actions.”²³²⁴ The document further requested that the Adaptation Committee include in its work programme activities to improve national-level adaptation actions, and to provide recommendations in its annual report to the COP.

On 17 April 2013, Argentine President Cristina Kirchner along with Secretary of the Environment Juan Jose Mussi announced a plan to reduce waste as part of national environmental initiatives. President Kirchner and Secretary Mussi called for a more robust approach and higher investment in said initiative.²³²⁵ They further heralded the initiative as an ambitious national plan that would build on previous successes. Moreover, President Kirchner stated that the plan is a necessary part of increased efforts at combating climate change and environmental degradation.²³²⁶

On 11 June 2013, Argentina participated in a workshop organized by the United Nations Economic Commission for Europe (UNECE).²³²⁷ The UNECE Workshop focused its discussion

²³²² Draft Decision on Shared Vision, Ideas and Proposals on the Elements Contained in Paragraph 1 of the Bali Action Plan, United Nations Framework Convention on Climate Change (Bonn) 16 November 2012. Date of Access: 26 January 2013.

<http://unfccc.int/resource/docs/2012/awglca15/eng/misc08.pdf>

²³²³ Draft Decision on Shared Vision, Ideas and Proposals on the Elements Contained in Paragraph 1 of the Bali Action Plan, United Nations Framework Convention on Climate Change (Bonn) 16 November 2012. Date of Access: 26 January 2013.

<http://unfccc.int/resource/docs/2012/awglca15/eng/misc08.pdf>

²³²⁴ Bangkok Climate Talks Highlights, International Institute for Sustainable Development (Winnipeg) 30 August 2012. Date of Access: 26 January 2013.

<http://www.iisd.ca/vol12/enb12549e.html>

²³²⁵ Cristina Fernández de Kirchner: “Encabezamos un plan ambicioso de eliminación de los residuos,” Secretaría de Ambiente y Desarrollo Sustentable de la Nación (Buenos Aires) 17 April 2013. Date of Access: 24 June 2013.

<http://www.ambiente.gob.ar/?aplicacion=noticias&idarticulo=11886&idseccion=12>

²³²⁶ Cristina Fernández de Kirchner: “Encabezamos un plan ambicioso de eliminación de los residuos,” Secretaría de Ambiente y Desarrollo Sustentable de la Nación (Buenos Aires) 17 April 2013. Date of Access: 24 June 2013.

<http://www.ambiente.gob.ar/?aplicacion=noticias&idarticulo=11886&idseccion=12>

²³²⁷ UNECE Workshop Discusses Transboundary Water Cooperation in LAC, International Institute for Sustainable Development (New York) 14 June 2013. Date of Access: 24 June 2013.

<http://climate-1.iisd.org/news/unece-workshop-discusses-transboundary-water-cooperation-in-lac/>

on the subject of transboundary water cooperation in the Latin America and Caribbean region with the goal of sharing knowledge among participants and regional actors.²³²⁸ Argentina, as a participant, discussed regional efforts to address cross-border water cooperation initiatives, such as the Intergovernmental Coordinating Committee for the La Plata River Basin and the Guarani Aquifer Agreement.²³²⁹

More specifically, the discussions around the regional framework for water management revolved around environmental protection and adaptations to climate change and climate variability.²³³⁰ Argentina and the other workshop participants agreed to identify the next steps in promoting regional cooperation on transboundary water issues with the goal of developing a workable regional framework to protect the region's water resources.²³³¹

Thus, Argentina has been awarded a score of +1 for beginning to adhere to the decisions of the COP 17 and for taking steps towards implementing policies in line with the decisions of COP 17.

Analyst: David Gelles

Australia: +1

Australia has complied with its commitment on climate change, declaring its intent to adhere to the decisions of the COP 17 and beginning to take concrete steps to fulfill these decisions.

Under the UNFCCC, Australia is categorized as an Annex I member State. Australia signed the Climate Change Convention on 4 June 1992 and ratified it on 30 December 1992. The Convention entered into force on 21 March 1994.²³³²

The Australian government has noted that it “is preparing for the impacts of climate change. It is investing in the science and research that provides the information and skills needed to help communities, industries and governments adapt to a changing climate.”²³³³ The Minister for Climate Change and Energy Efficiency, Greg Combet, stated, “we are tackling climate change with a comprehensive package of measures, including putting a price on carbon pollution,

²³²⁸ UNECE Workshop Discusses Transboundary Water Cooperation in LAC, International Institute for Sustainable Development (New York) 14 June 2013. Date of Access: 24 June 2013.
<http://climate-l.iisd.org/news/unece-workshop-discusses-transboundary-water-cooperation-in-lac/>.

²³²⁹ UNECE Workshop Discusses Transboundary Water Cooperation in LAC, International Institute for Sustainable Development (New York) 14 June 2013. Date of Access: 24 June 2013.
<http://climate-l.iisd.org/news/unece-workshop-discusses-transboundary-water-cooperation-in-lac/>.

²³³⁰ International Experts to Discuss Cooperation over Shared Waters, United Nations Economic Commission for Latin America and the Caribbean (Santiago) 10 June 2013. Date of Access: 24 June 2013.
<http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/noticias/5/50135/P50135.xml&xsl=/prensa/tpl-i/plf.xsl&base=/prensa/tpl-i/top-bottom.xsl>.

²³³¹ International Experts to Discuss Cooperation over Shared Waters, United Nations Economic Commission for Latin America and the Caribbean (Santiago) 10 June 2013. Date of Access: 24 June 2013.
<http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/noticias/5/50135/P50135.xml&xsl=/prensa/tpl-i/plf.xsl&base=/prensa/tpl-i/top-bottom.xsl>.

²³³² Parties & Observer States: Australia, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 25 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=AU>.

²³³³ How We Are Responding to Climate Change, Department of Agriculture, Fisheries and Forestry (Canberra) 6 December 2012. Date of Access: 5 January 2013.
<http://www.daff.gov.au/climatechange/climate>.

legislating for a Renewable Energy Target, and investing in clean energy and energy efficiency.”²³³⁴

The Government of Australia has taken steps to fulfill the requests put forth in the decisions taken at the COP 17. In accordance with draft decision 1/CP.17, on 13 November 2012, Australia submitted additional information to the Ad Hoc Working Group on the Durban Platform for Enhanced Action. The Government of Australia maintained that it “welcomes the opportunity to respond to the Joint Message from the Co-Chairs of the Ad-hoc Working Group on the Durban Platform for Enhanced Action (ADP) on means to advance the ADP’s work in Doha and beyond.”²³³⁵

Furthermore, as an Annex I country, the Government of Australia has also taken steps to assist developing countries in their efforts to address climate change. On 27 August 2012, the Deputy Director General of the Australian Government Overseas Aid Program (AusAID), Ewen McDonald, was appointed co-chair of the Green Climate Fund Board for the first year of its operations.²³³⁶ The Australian Department of Climate Change and Energy Efficiency wants to ensure that, “concrete steps are now being taken to operationalise the Fund to ensure the appropriate arrangements are put in place so it can commence operations including allocating funds to support action on climate change in developing countries as soon as possible.”²³³⁷ Also, the Government of Australia is providing “some financial assistance to support the initial administrative operations of the Fund,” in accordance with decision 3/CP.17.²³³⁸

With regards to the COP 17’s request for Parties to enhance their National Adaptation Plans (decision 5/CP.17), Australia’s National Climate Change Adaptation Research Facility (NCCARF) held its annual Climate Adaptation Conference in Melbourne from 26-28 June 2012.²³³⁹ The 2013 NCCARF Climate Adaptation Conference will be held in Sydney from 25-27 June 2013, bringing together “end users and researchers from across Australia to share experience in adaptation and showcase activities, strategies and research.”²³⁴⁰ On 20 December 2012, Government of Australia pledged an additional AUD15 million funding stream to “support

²³³⁴ Australia Plays Its Part in Climate Science Review, Minister for Climate Change and Energy Efficiency (Canberra) 6 October 2012. Date of Access: 5 January 2013.
<http://www.climatechange.gov.au/minister/greg-combet/2012/media-releases/October/MR-278-12.aspx>.

²³³⁵ Submission Under the Durban Platform for Enhanced Action, Department of Climate Change and Energy Efficiency (Canberra) November 2012. Date of Access: 5 January 2013.
http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_australia_workstream1and2_13112012.pdf.

²³³⁶ Australia Appointed Co-Chair of the Green Climate Fund Board, AusAID (Canberra) 27 August 2012. Date of Access: 5 January 2013.
<http://www.ausaid.gov.au/MediaReleases/Pages/Display.aspx?QID=1750>.

²³³⁷ Shaping a Global Solution: Finance, Department of Climate Change and Energy Efficiency (Canberra) 12 October 2012. Date of Access: 5 January 2013.
<http://www.climatechange.gov.au/government/international/finance.aspx>.

²³³⁸ Shaping a Global Solution: Finance, Department of Climate Change and Energy Efficiency (Canberra) 12 October 2012. Date of Access: 5 January 2013.
<http://www.climatechange.gov.au/government/international/finance.aspx>.

²³³⁹ Climate Adaptation in Action 2012: NCCARF Conference, National Climate Change Adaptation Research Facility (Southport) 2012. Date of Access: 5 January 2013.
<http://www.nccarf.edu.au/events/climate-adaptation-action-2012-nccarf-conference>.

²³⁴⁰ 2013 Climate Adaptation Conference, National Climate Change Adaptation Research Facility (Southport) 2013. Date of Access: 5 January 2013.
<http://www.nccarf.edu.au/conference2013/>.

research and analysis to develop scenarios on regional climate change to help with medium term planning.”²³⁴¹

Previously, Australia has expressed its support for the outcomes of the COP 17. On 11 December 2011, Australian Climate Change Minister Greg Combet hailed the consensus of the COP 17 as a “significant breakthrough in tackling global warming.” He went on to applaud the agreement for setting “the world on a path of long-term action to tackle climate change through a regime with wide global coverage and strong environmental effectiveness.”²³⁴²

Government of Australia has been participating in the work of the various working groups of the UNFCCC. On 13 November 2012, Australia submitted a document with suggestions on how to further advance the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), as per decision 1/CP.17.²³⁴³ Also, on 11 October 2012, Government of Australia submitted a document to the Nairobi Work Programme, in line with decision 6/CP.17. The submission contained the “views of the Australian Government on potential future areas of work for the Nairobi work programme on impacts, vulnerability, and adaptation” to climate change.²³⁴⁴ Furthermore, in October 2012, Australia forwarded its submission to the Forum and Work Programme on the Impact of the Implementation of Response Measures.²³⁴⁵

The Australian government has taken steps to forge partnerships with other nations in order to mitigate the effects of climate change. On 28 August 2012, Minister Combet and the European Commissioner for Climate Action, Ms. Connie Hedegaard, announced that Australia and Europe will be linking their emissions trading systems. The Minister noted, “Linking the Australian and European Union systems reaffirms that carbon markets are the prime vehicle for tackling climate change and the most efficient means of achieving emissions reductions.”²³⁴⁶

Also, on 28 September 2012, Minister Combet announced that Australia will join the Climate and Clean Air Coalition. The Coalition is an alliance of over two dozen nations, intergovernmental organisations, the private sector, and civil society, “committed to rapid action to reduce short-lived but highly potent pollution caused by methane, black carbon (soot), tropospheric ozone

²³⁴¹ Regions Given Cash to Curb Climate Change, NineMSN (Sydney) 20 December 2012. Date of Access: 5 January 2013.

<http://news.ninemsn.com.au/national/2012/12/20/14/00/regions-given-cash-to-curb-climate-change>.

²³⁴² Australia Hails COP 17 Agreement, News 24 (Sydney) 11 December 2012. Date of Access: 23 January 2013.

<http://www.news24.com/SciTech/News/Australia-hails-Cop-17-agreement-20111211>.

²³⁴³ Submission Under the Durban Platform for Enhanced Action, United Nations Framework Convention on Climate Change (Bonn) 13 November 2012. Date of Access: 23 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_australia_workstreamland2_13112012.pdf.

²³⁴⁴ Nairobi Work Programme on Impacts, Vulnerability and Adaptation to Climate Change: Submission Under Decision 6/CP.17, Department of Climate Change and Energy Efficiency (Canberra) 11 October 2012. Date of Access: 23 January 2013.

<http://www.climatechange.gov.au/government/initiatives/unfccc/submissions/20121011-01.aspx>.

²³⁴⁵ Australia’s Submission Under Decision 8/CP.1, United Nations Framework Convention on Climate Change (Bonn) October 2012. Date of Access: 23 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/australia.pdf.

²³⁴⁶ Australia and European Commission Agree on Pathway Towards Fully Linking Emissions Trading Systems, Department of Climate Change and Energy Efficiency (Canberra) 28 August 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/minister/greg-combet/2012/media-releases/August/JMR-20120828.aspx>.

(smog) and hydrofluorocarbons.”²³⁴⁷ Similarly, on 30 September 2012, the Minister announced that Australia and the state of California have agreed “to work together towards the development of regional and global carbon markets, exchange comparative experiences on climate policy, and explore options for linking carbon markets over the longer term.”²³⁴⁸

Government of Australia has introduced new legislation in attempts to reduce carbon emissions in the country. On 25 June 2012, the Australian Senate passed the Clean Energy Legislation Amendment Act 2012, which seeks to “facilitate the linking of the carbon pricing mechanism with foreign emissions trading schemes, and make minor amendments to the Clean Energy Act 2011 and related acts.”^{2349,2350} Moreover, on 1 July 2012, the Australian government introduced a price on carbon, acting as “an incentive for those that will pay it (big polluters) to change the way they do business.”²³⁵¹ Also on 1 July 2012, the Climate Change Authority Act 2011 set up the Climate Change Authority. The Authority “will advise the Australian government on the setting of carbon pollution caps and periodic review of the carbon pricing mechanism and other climate change laws.”²³⁵²

1 July 2012 marked the commencement of the Australian Renewable Energy Agency (ARENA). The Agency “will provide grants and financial assistance for projects with a focus on renewable energy and energy efficiency technologies to make them more cost competitive.”²³⁵³ ARENA will administer AUD3.2 billion in existing federal support for research and development, demonstration, and commercialization of renewable energy technologies.²³⁵⁴

On 11 February 2013, Australian Foreign Minister Bob Carr announced that Australia would provide AUD15 million to rehabilitate 40 kilometres of main road in South Tarawa, Kiribati,

²³⁴⁷ Australia to Join International Climate Coalition to Protect Human Health, Agriculture and Ecosystems, Department of Climate Change and Energy Efficiency (Canberra) 28 September 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/minister/greg-combet/2012/media-releases/September/MR-269-12.aspx>.

²³⁴⁸ Australia and California to Work Together on Carbon Markets and Emissions Trading Links, Department of Climate Change and Energy Efficiency (Canberra) 10 September 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/minister/greg-combet/2012/media-releases/September/JMR-272-12.aspx>.

²³⁴⁹ Clean Energy Legislation, Department of Climate Change and Energy Efficiency (Canberra) 30 September 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/government/clean-energy-future/legislation.aspx>.

²³⁵⁰ Clean Energy Legislation: The Way Ahead, Department of Climate Change and Energy Efficiency (Canberra) 9 July 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/government/clean-energy-future.aspx>.

²³⁵¹ Clean Energy Legislation: The Way Ahead, Department of Climate Change and Energy Efficiency (Canberra) 9 July 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/government/clean-energy-future.aspx>.

²³⁵² Clean Energy Legislation, Department of Climate Change and Energy Efficiency (Canberra) 30 September 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/government/clean-energy-future/legislation.aspx>.

²³⁵³ Australia’s Clean Energy Future, Department of Climate Change and Energy Efficiency (Canberra) 1 July 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/minister/greg-combet/2012/media-releases/July/MR-20120701.aspx>.

²³⁵⁴ Australia’s Clean Energy Future, Department of Climate Change and Energy Efficiency (Canberra) 1 July 2012. Date of Access: 5 January 2013.

<http://www.climatechange.gov.au/minister/greg-combet/2012/media-releases/July/MR-20120701.aspx>.

which have been damaged by rising sea levels and coastal erosion.²³⁵⁵ Minister Carr also noted that the Australian government would “support the Kiribati Adaptation Program to replace 11 kilometres of damaged water mains and increase access to safe drinking water.”²³⁵⁶ Australia’s funding would be delivered over three years (2013-2015) in partnership with the World Bank and the Asian Development Bank.

On 16 February 2012, Australia’s Minister for Industry and Innovation Greg Combet announced the launch of the Clean Technology Investment Program.²³⁵⁷ Totalling AUD200 million, the Clean Technology Innovation Program provides grants to innovative businesses to help them develop new clean technologies.²³⁵⁸ Minister Combet noted: “Through the Clean Technology Investment Programs, [...] Government is helping manufacturers and food producers [...] transform their operations by investing in energy efficient equipment and processes.”²³⁵⁹ On 14 May 2013, the Australian government announced that it would bring forward AUD160 million in funding to 2014-15.²³⁶⁰

On 27 March 2013, Sydney hosted the Australia-China Ministerial Dialogue on Climate Change, led by Minister Combet and Chairman of China’s National Development and Reform Commission H.E. Xie Zhenhua.²³⁶¹ Minister Combet contended: “Australia has been working very closely with China on the development of its pilot and national emissions trading schemes

²³⁵⁵ Protecting Kiribati Against Climate Change, Department of Foreign Affairs and Trade (Canberra) 11 February 2013. Date of Access: 24 June 2013.

http://foreignminister.gov.au/releases/2013/bc_mr_130211.html.

²³⁵⁶ Protecting Kiribati Against Climate Change, Department of Foreign Affairs and Trade (Canberra) 11 February 2013. Date of Access: 24 June 2013.

http://foreignminister.gov.au/releases/2013/bc_mr_130211.html.

²³⁵⁷ Clean Technology Investment Program, AusIndustry (Canberra) 2013. Date of Access: 24 June 2013.

<http://www.ausindustry.gov.au/programs/cleantechnology/cleantechnologyinvestment/Pages/default.aspx>.

²³⁵⁸ World-First Wave Energy Technology to Reduce Emissions and Electricity Use, The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (Canberra) 28 February 2013. Date of Access: 24 June 2013.

<http://minister.innovation.gov.au/gregcombet/MediaReleases/Pages/Worldfirstwaveenergytechnologytoreduceemissionsandelectricityuse.aspx>.

²³⁵⁹ Carbon Price Helps Food Processor Cut Emissions and Energy Costs, The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (Canberra) 18 February 2013. Date of Access: 24 June 2013.

<http://minister.innovation.gov.au/gregcombet/MediaReleases/Pages/Carbonpricehelpsfoodprocessorcutemissionsandenergycosts.aspx>.

²³⁶⁰ Investment in Clean Technology Proves to be Winning Formula, The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (Canberra) 14 May 2013. Date of Access: 24 June 2013.

<http://minister.innovation.gov.au/gregcombet/MediaReleases/Pages/InvestmentinCleanTechnologyprovestobewinningformula.aspx>.

²³⁶¹ Australia and China Agree to Work Together on Carbon Markets, The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (Canberra) 27 March 2013. Date of Access: 24 June 2013.

<http://minister.innovation.gov.au/gregcombet/MediaReleases/Pages/AustraliaandChinaagreetoworktogetheroncarbonmarkets.aspx>.

over the past two years.²³⁶² More specifically, Australia has been sharing information on the design and implementation of emissions trading schemes through technical workshops and joint research projects, as directed by Decision 13/CP.17.²³⁶³

Thus, Australia has been awarded a score of +1 for its efforts in the fight against climate change, promoting and implementing several decisions taken at the COP 17.

Lead Analyst: Samantha Young

Brazil: +1

Brazil has fully complied with its commitment to continue to fight climate change, as it has declared its intention to adhere to and begin implementing the decisions of the COP 17.

Under the UNFCCC, Brazil is categorized as a Non-Annex I member State.²³⁶⁴ Brazil signed the Climate Change Convention on 4 June 1992 and ratified it on 28 February 1994. The Convention entered into force on 29 May 1994.²³⁶⁵

On 21 June 2012, the Director-General of the United Nations Industrial Development Organization, Kandeh K. Yumkella, speaking at the Rio+20 United Nations Conference on Sustainable Development, lauded Brazil's commitment to the Sustainable Energy for All initiative.²³⁶⁶ Brazil has committed to investing an additional USD235 billion over ten years in renewable energy to produce energy savings of up to nine per cent.²³⁶⁷ Furthermore, the Brazilian Development Bank (BNDES) has pledged to continue to support the production of sustainable energy in other countries, and has signed a Memorandum of Understanding with the African

²³⁶² Australia and China Agree to Work Together on Carbon Markets, The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (Canberra) 27 March 2013. Date of Access: 24 June 2013.

<http://minister.innovation.gov.au/gregcombet/MediaReleases/Pages/AustraliaandChinaagreetoworktogetheroncarbonmarkets.aspx>.

²³⁶³ Australia and China Strengthen Carbon Market Collaboration, The Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (Canberra) 10 April 2013. Date of Access: 24 June 2013.

<http://minister.innovation.gov.au/gregcombet/MediaReleases/Pages/AustraliaandChinaStrengthenCarbonMarketCollaboration.aspx>.

²³⁶⁴ Parties & Observer States: Brazil, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 24 January 2013.

http://unfccc.int/parties_and_observers/parties/non_annex_i/items/2833.php.

²³⁶⁵ Parties & Observer States: Brazil, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 24 January 2013.

http://unfccc.int/parties_and_observers/parties/non_annex_i/items/2833.php.

²³⁶⁶ Director-General Yumkella says Sustainable Energy for All initiative to Benefit Over a Billion People Worldwide, United Nations Industrial Development Organization (Vienna) 21 June 2012. Date of Access: 28 December 2012.

[http://www.unido.org/index.php?id=7881&tx_ttnews\[tt_news\]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7](http://www.unido.org/index.php?id=7881&tx_ttnews[tt_news]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7).

²³⁶⁷ Director-General Yumkella says Sustainable Energy for All initiative to Benefit Over a Billion People Worldwide, United Nations Industrial Development Organization (Vienna) 21 June 2012. Date of Access: 28 December 2012.

[http://www.unido.org/index.php?id=7881&tx_ttnews\[tt_news\]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7](http://www.unido.org/index.php?id=7881&tx_ttnews[tt_news]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7).

Development Bank.²³⁶⁸ Additionally, Eletrobras, Brazil's main energy company, has stated its commitment to cooperate internationally with other energy companies to work on developing renewable sources of energy.²³⁶⁹

On 21 September 2012, at the conclusion of the twelfth BASIC Ministerial Meeting on Climate Change, Brazil released a joint statement with other member states. As a party to the statement, Brazil and the other members of BASIC reaffirmed their welcoming of the outcome of the COP 17 as a "carefully balanced packaged" and called for the decisions reached at the COP 17 to be fully implemented.²³⁷⁰ Additionally, Brazil and the BASIC states stressed the importance of a second commitment period to the Kyoto Protocol and emphasized the importance of reaching a substantive conclusion to the Ad Hoc Working Group on Long-term Cooperative Action in Doha.²³⁷¹

On 23 November 2012, experts from Brazil met with experts from the rest of the countries making up the La Plata Basin, to develop a regional agenda on water risk management in agricultural systems as part of the region's Strategic Action Plan (SAP).²³⁷² The regional group agreed on priorities for a common agenda, including: (1) the identification of regional coordination devices to bolster or create institutional and logistical aspects of risk management; (2) the promotion of sharing local and international knowledge; (3) the facilitation of the exchange of technologies; (4) capacity-building.²³⁷³ The group agreed to meet again in 2013 to continue developing the agenda. The SAP is executed by the Intergovernmental Coordinating Committee of La Plata Basin Countries (CIC) and is part of the process to improve regional cooperation to develop and implement national adaptation plans, as regulated by decision 5/CP.17 of the COP 17.²³⁷⁴

²³⁶⁸ Director-General Yumkella says Sustainable Energy for All initiative to Benefit Over a Billion People Worldwide, United Nations Industrial Development Organization (Vienna) 21 June 2012. Date of Access: 28 December 2012.

[http://www.unido.org/index.php?id=7881&tx_ttnews\[tt_news\]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7](http://www.unido.org/index.php?id=7881&tx_ttnews[tt_news]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7).

²³⁶⁹ Director-General Yumkella says Sustainable Energy for All initiative to Benefit Over a Billion People Worldwide, United Nations Industrial Development Organization (Vienna) 21 June 2012. Date of Access: 28 December 2012.

[http://www.unido.org/index.php?id=7881&tx_ttnews\[tt_news\]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7](http://www.unido.org/index.php?id=7881&tx_ttnews[tt_news]=1218&cHash=7d2d0e8cfa7cfbea2bea03f3d22667a7).

²³⁷⁰ BASIC Countries Call for Strengthened Commitments Ahead of Doha, International Institute for Sustainable Development (New York) 21 September 2012. Date of Access: 2 January 2012.

<http://climate-l.iisd.org/news/basic-countries-call-for-strengthened-commitments-ahead-of-doha/>.

²³⁷¹ BASIC Countries Call for Strengthened Commitments Ahead of Doha, International Institute for Sustainable Development (New York) 21 September 2012. Date of Access: 2 January 2012.

<http://climate-l.iisd.org/news/basic-countries-call-for-strengthened-commitments-ahead-of-doha/>.

²³⁷² Manejo de Riesgo Hídrico en los Sistemas Agropecuarios, Comité Intergubernamental Coordinador de los Países de la Cuenca del Plata (Buenos Aires) 23 November 2012. Date of Access: 1 January 2012.

<http://www.proyectoscic.org/news/manejo-de-riesgo-hidrico-en-los-sistemas-agropecuarios>.

²³⁷³ Manejo de Riesgo Hídrico en los Sistemas Agropecuarios, Comité Intergubernamental Coordinador de los Países de la Cuenca del Plata (Buenos Aires) 23 November 2012. Date of Access: 1 January 2012.

<http://www.proyectoscic.org/news/manejo-de-riesgo-hidrico-en-los-sistemas-agropecuarios>.

²³⁷⁴ La Plata Basin Countries Consider Agenda on Water Risk Management in Agricultural Systems, International Institute for Sustainable Development (New York) 5 December 2012. Date of Access: 1 January 2012.

On 24 January 2013, Brazil released a joint statement along with the EU, following the sixth Brazil-EU Summit. Brazil reflected on the outcome of the COP 18 in Doha, and discussed cooperation on various issue fronts with the EU.²³⁷⁵ In the subsequent joint statement following the talks, Brazil reaffirmed its commitment to ambitious international action on climate change, while emphasizing the reduction of deforestation in the Amazon and stressing the importance of continued work on safeguarding biodiversity under bilateral agreements and the Convention on Biological Diversity (CBD).²³⁷⁶ Furthermore, Brazil emphasized the role of renewable energy and energy efficiency by reiterating the viability of biofuels as an alternative to fossil fuels.²³⁷⁷

On 25 January 2013, Brazil's Environment Ministry announced its plans to undertake a survey of the Amazon rainforest.²³⁷⁸ The survey will take about four years to complete, and will provide detailed data on tree species, soils, and biodiversity. Environment Minister Izabella Teixeira said the plan would further help the government formulate environmental policies.²³⁷⁹

On 16 January 2013, energy ministers and senior officials from South American and Arab Countries (ASPA) adopted the Abu Dhabi Declaration on enhanced cooperation at the organization's inaugural meeting on energy.²³⁸⁰ Brazil, as a party to the declaration, reaffirmed its commitment to further cooperate in the areas of renewable energy and energy efficiency, among others.²³⁸¹ Key provisions of the declaration include: cooperative efforts through the International

<http://climate-l.iisd.org/news/la-plata-basin-countries-consider-agenda-on-water-risk-management-in-agricultural-systems/>.

²³⁷⁵ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

²³⁷⁶ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

²³⁷⁷ 6th EU-Brazil Summit Reflects on Rio+20 and Doha, International Institute for Sustainable Development (New York) 24 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/6th-eu-brazil-summit-reflects-on-rio20-and-doha/>

²³⁷⁸ Brazil to Survey Amazon Rainforest, BBC News (London) 25 January 2013. Date of Access: 9 February 2013.

<http://www.bbc.co.uk/news/world-latin-america-21208541>

²³⁷⁹ Brazil to Survey Amazon Rainforest, BBC News (London) 25 January 2013. Date of Access: 9 February 2013.

<http://www.bbc.co.uk/news/world-latin-america-21208541>

²³⁸⁰ First Energy Ministerial of South American and Arab Countries (ASPA) Adopts Abu Dhabi Declaration, International Institute for Sustainable Development (New York) 16 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/first-energy-ministerial-of-south-american-and-arab-countries-aspa-adopts-abu-dhabi-declaration/>

²³⁸¹ First Energy Ministerial of South American and Arab Countries (ASPA) Adopts Abu Dhabi Declaration, International Institute for Sustainable Development (New York) 16 January 2013. Date of Access: 9 February 2013.

<http://climate-l.iisd.org/news/first-energy-ministerial-of-south-american-and-arab-countries-aspa-adopts-abu-dhabi-declaration/>

Renewable Energy Agency (IRENA) and the Latin American Energy Organization (OLADE), as well as support for domestic energy efficiency programmes.²³⁸²

Previously, Brazil has expressed its support of the outcomes of the COP 17. On 8 December 2011, Dr. Izabella Teixeira, Brazil's minister of the environment, spoke in support of the goals of the COP 17 and of the Convention more generally. Dr. Teixeira asserted that Brazil has high expectations with respect to the outcomes of the COP 17 and the Ad Hoc Working Groups.²³⁸³

Brazil has had limited involvement with the working groups of the UNFCCC. On 19 July 2012, Government of Brazil, in response to the invitation from the Co-Chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), welcomed "the opportunity to submit additional inputs regarding the work of the ADP."²³⁸⁴

On 27 March 2013, Brazil, along with the other constituents of the BRICS group of states, released a declaration in which it stated its commitment to international sustainable development and cooperation in areas such as climate change.²³⁸⁵ Particularly, Brazil stated its recognition of climate change as a key issue and called for the development of a new protocol under the guidelines of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) by 2015.²³⁸⁶

On 28 April 2013, the government of Brazil submitted a paper, which dealt with policy approaches on issues relating to reducing emissions from deforestation and other practices, to the UNFCCC.²³⁸⁷ In the document, Brazil specifically addressed the issues of supporting the decisions made in 1/CP.16 paragraph 70, that is, the provision of financial support for developing countries to implement climate change policies, and the reviewing of existing arrangements and possible alternatives to government policies on certain climate issues.²³⁸⁸

²³⁸² First Energy Ministerial of South American and Arab Countries (ASPA) Adopts Abu Dhabi Declaration, International Institute for Sustainable Development (New York) 16 January 2013. Date of Access: 9 February 2013.

<http://climate-1.iisd.org/news/first-energy-ministerial-of-south-american-and-arab-countries-aspa-adopts-abu-dhabi-declaration/>

²³⁸³ Statement of Minister of the Environment of Brazil, Dr. Izabella Teixeira, High-level Segment of COP 17 (Durban) 8 December 2011. Date of Access: 25 January 2013.

http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111208_cop17_hls_brazil.pdf

²³⁸⁴ Additional Inputs from Brazil on the Work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action, United Nations Framework Convention on Climate Change (Bonn) 19 July 2012. Date of Access: 23 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_brazil_19072012.pdf

²³⁸⁵ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekweni Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 24 June 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>

²³⁸⁶ BRICS and Africa: Partnership for Development, Integration and Industrialisation – eThekweni Declaration, Fifth BRICS Summit (Durban) 27 March 2013. Date of Access: 24 June 2013.

<http://www.brics5.co.za/about-brics/summit-declaration/fifth-summit/>

²³⁸⁷ Views on the matters referred to in decision 1/CP.18, paragraphs 34 and 35 Submissions from Parties – Paper 1: Brazil, United Nations Framework Convention on Climate Change (Bonn) 28 April 2013. Date of Access: 24 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc03a01.pdf>

²³⁸⁸ Views on the matters referred to in decision 1/CP.18, paragraphs 34 and 35

On these matters, Brazil thus stated its position and declared that it would participate in and provide support for the Green Climate Fund (GCF) and in the Reducing Emissions from Deforestation and Forest Degradation (REDD+).²³⁸⁹ Specifically, Brazil stated its support for an incentive scheme for developing countries aiming to cut emissions, with the GCF playing a major role. Moreover, Brazil reinforced its desire to participate in the process and called for a cooperative approach among states while emphasizing coordination at national levels.²³⁹⁰

Thus, Brazil has been awarded a score of +1 as it has declared its commitment to the decisions reached at the COP 17 and has begun to take actions aimed at implementing these decisions.

Analyst: David Gelles

Canada: +1

Canada has fully complied with its commitment on climate change, having declared its intent to fully adhere to decisions of the COP 17 and has begun to take actions on these decisions.

Under the UNFCCC, Canada is categorized as an Annex I/II member State. Canada signed the Climate Change Convention on 12 June 1992 and ratified it on 4 December 1992. The Convention entered into force on 21 March 1994.²³⁹¹

On 27 November 2012, the Canadian government proposed regulations which established stringent greenhouse gas emission standards for passenger automobile and light truck models from 2017 to 2025.²³⁹² It is projected that by 2025, vehicles will emit, on average, 50 per cent less greenhouse gas emissions from those sold in 2008.²³⁹³

On 5 September 2012, Canada's Environmental Minister Peter Kent announced stringent regulations for reducing greenhouse gas emissions from coal-fired electricity generation that will

Submissions from Parties – Paper 1: Brazil, United Nations Framework Convention on Climate Change (Bonn) 28 April 2013. Date of Access: 24 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc03a01.pdf>.

²³⁸⁹ Views on the matters referred to in decision 1/CP.18, paragraphs 34 and 35

Submissions from Parties – Paper 1: Brazil, United Nations Framework Convention on Climate Change (Bonn) 28 April 2013. Date of Access: 24 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc03a01.pdf>.

²³⁹⁰ Views on the matters referred to in decision 1/CP.18, paragraphs 34 and 35

Submissions from Parties – Paper 1: Brazil, United Nations Framework Convention on Climate Change (Bonn) 28 April 2013. Date of Access: 24 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc03a01.pdf>.

²³⁹¹ Parties & Observer States: Canada, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=CA>.

²³⁹² Harper Government Improves Fuel Efficiency of Canada, Environment Canadian Vehicles (Ottawa) 27 November 2012. Date of Access: 5 January 2013.

<http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=33B625CB-653E-4766-8C92-ACA551C94AB0>.

²³⁹³ Reducing Greenhouse Gases, Canada's Action on Climate Change (Ottawa) 27 November 2012. Date of Access: 4 January 2013.

<http://www.climatechange.gc.ca/default.asp?lang=En&n=4FE85A4C->.

come into force on 1 July 2015.²³⁹⁴ These regulations will apply strict performance standards to new electricity generation units and old units that have reached the end of their economic life. The regulations are expected to result in an eventual reduction of 214 megatonnes of greenhouse gases emissions.²³⁹⁵

Additionally, on 7 December 2012, Minister Kent announced Canada's continued commitment to support developing countries in their efforts to address climate change. This investment is part of Canada's fast-start financing commitment under the Copenhagen Accord to provide CAD1.2 billion to support climate change action in developing countries. This funding includes CAD75 million to the Catalyst fund, CAD76 million to the Asian Development Bank, and CAD16.5 million to the United Nations Development Programme.²³⁹⁶

However, on 26 November 2012, at the Doha Climate Change Conference, Environmental Minister Peter Kent announced that Canada does not support providing further funding for the Green Climate Fund.²³⁹⁷

Previously, Canada has spoken supportively on the outcomes of the COP 17. On 7 December 2011, Environment Minister Peter Kent called the Durban Platform "a fair and balanced framework for responsible and effective action of the kind provided under the Cancun Agreements, adopted at COP 16 and flowing from the Copenhagen Accord." He added: "Canada will continue to work with our international partners on fair, effective, and comprehensive ways to address climate change when Qatar assumes the COP presidency in the coming year."²³⁹⁸

Canada has been participating in the working groups of the UNFCCC. On 13 November 2012, the Umbrella Group on behalf of Canada, in line with decision 1/CP.17, released a letter suggesting how to further advance the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²³⁹⁹

²³⁹⁴ Harper Government Moves Forward on Tough Rules for Coal-Fired Electricity Sector, Environment Canada (Ottawa) 5 September 2012. Date of Access: 5 January 2013.

<http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=4D34AE9B-1768-415D-A546-8CCF09010A23>.

²³⁹⁵ Harper Government Moves Forward on Tough Rules for Coal-Fired Electricity Sector, Environment Canada (Ottawa) 5 September 2012. Date of Access: 5 January 2013.

<http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=4D34AE9B-1768-415D-A546-8CCF09010A23>.

²³⁹⁶ Country Invests in Climate Change Solutions in Developing Countries, Environment Canada (Ottawa) 7 December 2012. Date of Access: 5 January 2013.

<http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=B45B22D6-8D59-43DF-AFB3-B9B14B9E1FBD>.

²³⁹⁷ Peter Kent Lays Out New Auto Emissions Standards Before Tense Talks in Doha, Macleans (Ottawa) 27 November 2012. Date of Access: 5 January 2013.

<http://www2.macleans.ca/2012/11/27/peter-kent-lays-out-new-auto-emissions-standards-before-tense-talks-in-doha/>.

²³⁹⁸ Canada's Closing Statement at COP17, Environment Canada (Ottawa) 11 December 2011. Date of Access: 27 January 2013.

<http://www.ec.gc.ca/default.asp?lang=En&n=FFE36B6D-1&news=39FCDB85-A69C-4B71-AC5E-8D14140AADD7>.

²³⁹⁹ ADP Organization of Work for Doha: Submission made on behalf of the following Umbrella Group countries: Canada, Japan, New Zealand, Ukraine, United States and Australia, United Nations Framework Convention on Climate Change (Bonn) 13 November 2012. Date of Access: 23 January 2013.

Government of Canada has also made submissions to the Nairobi Work Programme's Subsidiary Body for Scientific and Technological Advice^{2400,2401} (as requested by decision 6/CP.17).

On 10 April 2013, Canada's Environment Minister, Peter Kent, announced an additional CAD10 million contribution to the Climate and Clear Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC), and a CAD2.5 million contribution to the Climate Technology Centre and Network (CTCN). This is in addition to Canada's contribution of CAD3 million to the CCAC's Trust Fund and CAD7 million for projects that support the mitigation of short-lived climate pollutants in developing countries. This investment is also a part of Canada's fast-start financing commitment under the Copenhagen Accord to provide CAD1.2 billion to support climate change action in developing countries.²⁴⁰²

On 12 April 2013, Canada made a submission to the ADP regarding the implementation of all the elements of decision 1/CP.17.²⁴⁰³ In the submission, Canada spoke of the importance of timely design of a post-2020 agreement as well as the enhancement of pre-2020 mitigation ambition.

Thus, Canada has been awarded a score of +1 for declaring its intent as well as effectively taking steps to combat climate change domestically and abroad in accordance with the COP 17 decisions.

Analyst: Jelena Djuric

China: +1

China has fully complied with its commitments to combat climate change, regarding its support of and adherence to the decisions made at COP 17.

Under the UNFCCC, China is categorized as a Non-Annex member State. China signed the Climate Change Convention on 11 June 1992 and ratified it on 5 January 1993.²⁴⁰⁴ The Convention entered into force on the 21 March 1994.²⁴⁰⁵

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_ug_workstream1_13112012.pdf.

²⁴⁰⁰ Submission by the Government of Canada: Views on a common tabular format for the "UNFCCC biennial reporting guidelines for developed countries", United Nations Framework Convention on Climate Change (Bonn) 2 October 2012. Date of Access: 6 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/canadian_submission_on_b_r_tables_-_oct_2.pdf.

²⁴⁰¹ Submission by the Government of Canada: Views on issues related to agriculture, United Nations Framework Convention on Climate Change (Bonn) 4 May 2012. Date of Access: 6 February 2013.

http://unfccc.int/files/methods_science/redd/submissions/application/pdf/20120504_canada_subm_agriculture_en.pdf.

²⁴⁰² Canada Invests in Global Climate and Clear Air Solutions, Environment Canada (Ottawa) 10 April 2013. Date of Access: 25 June 2013.

<http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=47727622-982C-4AE8-91CF-F9F50F81FF91>.

²⁴⁰³ Submission by Canada: Views on advancing the work of the Durban Platform, United Nations Framework Convention on Climate Change (Bonn) April 2013. Date of Access: 21 July 2013

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_canada_workstream_1_and_2_en_20130412.pdf.

²⁴⁰⁴ Parties & Observer States: China, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

<http://maindb.unfccc.int/public/country.pl?country=CN>.

On 17 September 2012, China's Vice President Li Keqiang expressed his desire that the Bali Road Map negotiations should be "completed in a satisfactory fashion."²⁴⁰⁶ He noted his concern with the Long-Term Cooperative Action group. Li is reported as saying, "with the Doha climate change conference months away, we expect Qatar to play a positive role in obtaining substantive results from negotiations regarding the Bali Road Map."²⁴⁰⁷

On 24 October 2012, China met with the Like-Minded Developing Countries group. The countries' representatives discussed the group's platform on climate change.²⁴⁰⁸ The group concluded that its primary goal is the continuation of the Kyoto Agreement into a second term.²⁴⁰⁹ The group's goal for Doha is to ensure that developed countries be legally bound to reaching reduced emission targets in an effort to fight climate change.²⁴¹⁰

On 21 November 2012, the government of China held a meeting on the importance of the Kyoto Protocol, urging developed countries to take on the second term of the commitment.²⁴¹¹ Vice Chairman of the National Development and Reform Commission Xie Zhenhua stated that the Kyoto Protocol is an essential element of the international climate regime.²⁴¹² China expressed its will for developed countries to focus less on mitigation. Instead, it encouraged developed countries to devote more attention to other areas such as "adaptation, finance, technology transfer, and capacity building."²⁴¹³

On 21 November 2012, China also issued a report on its efforts for fighting climate change. The report, titled "China's Policies and Actions for Addressing Climate Change," was released in preparation of the Doha Climate Change Conference (COP 18). The report details China's

²⁴⁰⁵ Parties & Observer States: China, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

<http://maindb.unfccc.int/public/country.pl?country=CN>.

²⁴⁰⁶ China Calls on Qatar to Resolve LCA Issues at UN Climate Talks, Responding to Climate Change (London) 18 September 2012. Date of Access: 3 January 2013.

<http://www.rtcc.org/china-calls-on-qatar-to-resolve-lca-issues-at-un-climate-talks/>.

²⁴⁰⁷ China Calls on Qatar to Resolve LCA Issues at UN Climate Talks, Responding to Climate Change (London) 18 September 2012. Date of Access: 3 January 2013.

<http://www.rtcc.org/china-calls-on-qatar-to-resolve-lca-issues-at-un-climate-talks/>.

²⁴⁰⁸ Nations Meet Prior to Climate Change Talks in Doha, China Daily (Beijing) 23 October 2012. Date of Access: 3 January 2013.

http://www.chinadaily.com.cn/world/2012-10/23/content_15840402.htm.

²⁴⁰⁹ Nations Meet Prior to Climate Change Talks in Doha, China Daily (Beijing) 23 October 2012. Date of Access: 3 January 2013.

http://www.chinadaily.com.cn/world/2012-10/23/content_15840402.htm.

²⁴¹⁰ Nations Meet Prior to Climate Change Talks in Doha, China Daily (Beijing) 23 October 2012. Date of Access: 3 January 2013.

http://www.chinadaily.com.cn/world/2012-10/23/content_15840402.htm.

²⁴¹¹ China Holds a News Conference on Climate Change, China Central Television (Beijing) 21 November 2012. Date of Access: 29 December 2012.

<http://english.cntv.cn/program/newsupdate/20121121/106547.shtml>.

²⁴¹² China Holds a News Conference on Climate Change, China Central Television (Beijing) 21 November 2012. Date of Access: 29 December 2012.

<http://english.cntv.cn/program/newsupdate/20121121/106547.shtml>.

²⁴¹³ China Holds a News Conference on Climate Change, China Central Television (Beijing) 21 November 2012. Date of Access: 29 December 2012.

<http://english.cntv.cn/program/newsupdate/20121121/106547.shtml>.

planned climate change action for the future as well as its past accomplishments.²⁴¹⁴ The report iterates China's plans to reduce its energy consumption, cut carbon dioxide emissions, and raise the percentage of non-fossil fuels in the primary energy mix to 11.4 by 2015.²⁴¹⁵ The report also addresses using mass media coverage, enhanced governing guidance, and public participation to promote the participation of society at large in the fight against climate change, along with continued and strengthened cooperation with other developing countries in this regard.²⁴¹⁶

On 14 January 2013, China took part in the 3rd Assembly of the International Renewable Energy Agency (IRENA) in Abu Dhabi, followed by International Renewable Energy Conference ADIREC and the World Future Energy Summit.²⁴¹⁷ At the Assembly, Germany's Minister Altmaier and deputy chair of China's National Energy Administration (NEA) Liu Qi signed a Memorandum of Understanding for future cooperation on the expansion of renewable energies between the Federal Ministry of Environment and the NEA.²⁴¹⁸ The two countries will work together on energy policies and projects, in particular to help China overcome structural bottlenecks in the expansion of renewable energies.

Previously, China has spoken in support of a positive COP 17 outcome. On 22 November 2012, Vice Chairman of the National Development and Reform Commission Xie Zhenhua asserted that "China will earnestly fulfill [their] responsibility or obligation to do their part" so long as specific plans which reflect developing countries' "respective capabilities" are enacted.²⁴¹⁹ Xie Zhenhua also stated that China will take domestic efforts to "adjust the industrial structure, economic structure and energy structure, to achieve green low-carbon development."²⁴²⁰

²⁴¹⁴ China Issues Report Addressing Climate Change, China Central Television (Beijing) 21 November 2012. Date of Access: 29 December 2012.

http://news.xinhuanet.com/english/china/2012-11/21/c_131989748.htm.

²⁴¹⁵ China's Policies and Actions For Addressing Climate Change 2012, The National Development and Reform Commission (Beijing) 21 November 2012. Date of Access: December 29 2012.

<http://qhs.ndrc.gov.cn/zcfg/W020121122588539459161.pdf>.

²⁴¹⁶ China's Policies and Actions For Addressing Climate Change 2012, The National Development and Reform Commission (Beijing) 21 November 2012. Date of Access: December 29 2012.

<http://qhs.ndrc.gov.cn/zcfg/W020121122588539459161.pdf>.

²⁴¹⁷ Press release No. 002/13: Expansion of renewable energies: international meeting of energy ministers and heads of government, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 14 January 2013. Date of Access: 11 February 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/ausbau-der-erneuerbaren-energien-internationales-treffen-mit-energieministern-und-regierungschefs/?tx_ttnews%5BbackPid%5D=103&cHash=b25e5ac4d14919ac3dd4bda4cb85bf03.

²⁴¹⁸ Press release No. 005/13: New partnership for global transformation of energy systems, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 14 January 2013. Date of Access: 11 February 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/neue-partnerschaft-fuer-die-globale-energiewende/?tx_ttnews%5BbackPid%5D=103&cHash=f999e69845b36d405507ebce72b45a83.

²⁴¹⁹ Address by Vice Chairman of the National Development and Reform Commission Xie Zhenhua at the Information Office of the State Council, China.org.cn (Beijing) 22 November 2011. Date of Access: 26 January 2013.

http://www.china.com.cn/zhibo/2011-11/22/content_23967482.htm.

²⁴²⁰ Address by Vice Chairman of the National Development and Reform Commission Xie Zhenhua at the Information Office of the State Council, China.org.cn (Beijing) 22 November 2011. Date of Access: 26 January 2013.

China has been participating in the working groups of the UNFCCC. On 21 November 2012, China submitted its views on the efforts of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (AWG-ADP).²⁴²¹ The letter contained China's input on how to best "advance the work of the AWG-ADP in Doha and beyond."²⁴²²

Additionally, China has complied with the Long-Term Cooperative Action Plan. On 23 November 2012, China, as part of a group of countries, submitted a draft decision on the shared vision for the AWG-ADP, including the desire to achieve long-term goals on adaptation, finance, technology, and capacity building.²⁴²³

On 5 March 2013, China submitted a document to the ADP voicing its views on the work of ADP, in line with decision 1/CP.17.²⁴²⁴ China emphasized that it regarded the starting point of the Durban Platform process to be the implementation of the Bali Roadmap.

On 13 April 2013, the governments of the United States of America and the People's Republic of China agreed to intensify cooperation and action with regards to reducing the global effects of climate change. The two countries have pledged to "initiate a Climate Change Working Group,"²⁴²⁵ which will allow them to research how to cooperate in areas such as technology and alternative renewable energy sources.²⁴²⁶ United States Special Envoy for Climate Change Todd D. Stern stated: "This Working Group will report its findings and recommendations at the Strategic and Economic Dialogue in Washington in early July."²⁴²⁷

On 18 April 2013, at the launch of the Chinese edition of the GLOBE Climate Legislation Study, Vice Chairman of China's National Development and Reform Commission (NDRC), Minister Xie Zhenhua, announced that China's draft legislation on climate change will be

http://www.china.com.cn/zhibo/2011-11/22/content_23967482.htm.

²⁴²¹ China's Submission on the Work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (AWG-DP) in Doha and Beyond, United Nations Framework Convention on Climate Change (Bonn) 21 November 2012. Date of Access: 23 January 2013.

<http://unfccc.int/bodies/awg/items/6656.php>.

²⁴²² China's Submission on the Work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (AWG-DP) in Doha and Beyond, United Nations Framework Convention on Climate Change (Bonn) 21 November 2012. Date of Access: 23 January 2013.

<http://unfccc.int/bodies/awg/items/6656.php>.

²⁴²³ A Shared Vision for Long-Term Cooperative Action, United Nations Framework Convention on Climate Change (Bonn) 23 November 2012. Date of Access: 27 January 2013.

<http://unfccc.int/bodies/awg-lca/items/4578.php>.

²⁴²⁴ China's Submission on the Work of the Ad Hoc Working Group on Durban Platform for Enhanced Action, United Nations Framework Convention on Climate Change (Bonn) March 2012. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_china_workstream_1_20130305.pdf.

²⁴²⁵ Joint U.S.-China Statement on Climate Change, U.S. Department of State (Washington) 13 April 2013. Date of Access: 21 June 2013.

<http://www.state.gov/r/pa/prs/ps/2013/04/207465.htm>.

²⁴²⁶ Joint U.S.-China Statement on Climate Change, U.S. Department of State (Washington) 13 April 2013. Date of Access: 21 June 2013.

<http://www.state.gov/r/pa/prs/ps/2013/04/207465.htm>.

²⁴²⁷ Press Statement on Meeting of U.S.-China Working Group on Climate Change by U.S. Special Envoy for Climate Change Todd D. Stern (Beijing) 3 June 2013. Date of Access: 27 June 2013.

<http://www.state.gov/e/oes/rls/remarks/2013/210177.htm>.

“comprehensive” and completed within the next two years.²⁴²⁸ The minister highlighted the importance the climate change law will hold, “recognising national legislation as a key contributor to the international process.”²⁴²⁹ Moreover, a key focus revolved around GLOBE’s China-EU Dialogue, which explores how China and Europe can develop common low carbon standards within key industrial sectors. This work will be jointly developed with the NDRC Ministry over the coming months.²⁴³⁰

On 15 July 2013, China unveiled a plan to expand its solar capacity by 35 gigawatts by the year 2015.²⁴³¹

Thus, China, having fully complied with its commitments to combat climate change, has been awarded a score of +1.

Analyst: Alicia Robinson

France: +1

France has fully complied with its commitment to continue to fight climate change. The government of France has shown itself to be a financial supporter of the UNFCCC initiatives, as prescribed by the COP 17 decisions, and has been actively involved in the process of organization of multilateral action plans.

Under the UNFCCC, France is categorized as an Annex I member State.²⁴³² France signed the Climate Change Convention on 13 June 1992 and ratified it on 25 March 1994. The Convention entered into force on 23 June 1994.²⁴³³

On 8 July 2013, Minister Delegate to the French Foreign Minister in charge of Development Pascal Canfin said France had plans to collaborate with Ethiopia on the matters of climate change.²⁴³⁴

²⁴²⁸ Minister Xie Zhenhua Announces Chinese Climate Law within 1 to 2 Years at GLOBE Event in Beijing, GLOBE International Secretariat News, [Globeinternational.info](http://www.globeinternational.info) (Beijing) 18 April 2013. Date of Access: 21 June 2013.

²⁴²⁹ Minister Xie Zhenhua Announces Chinese Climate Law within 1 to 2 Years at GLOBE Event in Beijing, GLOBE International Secretariat News, [Globeinternational.info](http://www.globeinternational.info) (Beijing) 18 April 2013. Date of Access: 21 June 2013.

²⁴³⁰ Minister Xie Zhenhua Announces Chinese Climate Law within 1 to 2 Years at GLOBE Event in Beijing, GLOBE International Secretariat News, [Globeinternational.info](http://www.globeinternational.info) (Beijing) 18 April 2013. Date of Access: 21 June 2013.

²⁴³¹ China Solar Demand Support Increase Sends Stocks Soaring, Bloomberg (New York) 15 July 2013. Date of Access: 21 July 2013.

<http://www.bloomberg.com/news/2013-07-15/china-to-back-solar-panel-makers-with-35-gigawatt-of-installs.html>.

²⁴³² Parties & Observer States: France, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=FR>.

²⁴³³ Parties & Observer States: France, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=FR>.

On 27 May 2013, the European Union made a submission to the ADP on behalf of its member states — thus, including France.²⁴³⁵ The submission included the discussion of post-2020 commitments.

On 26 November — 9 December 2012, at the COP 18, France restated its support of the progress made at the COP 17 and reiterated its commitment to: continue to assist developing countries in their fight with climate change through the delivery of necessary finances to the Green Climate Fund²⁴³⁶; advance the international debate on climate change and build on the successes of the Durban Platform; and assume the Presidency in 2015.²⁴³⁷

As of December 2012, France has complied with draft decisions 5/CP.17 and 7/CP.17, contributing monetarily to the core budget of UNFCCC in the Programme budget for the biennium 2012-2013 for use in activities of the Technology Executive Committee.²⁴³⁸

As of September 2012, France has also been complying with draft decision 12/CP.17 in supporting the Capacity-Building Under the Convention mechanism by providing financial resources to vulnerable and less developed countries to aid in their effort to mitigate the effects of and adapt to climate change. France is a supporter of the Fast Start initiative until at least 2016 — an initiative which aids the implementation processes of sustainable energy solutions in developing countries.²⁴³⁹

In line with decision 5/CP.17, France has been developing a National Adaptation Plan for Climate Change (NAPCC)²⁴⁴⁰. The Plan extends until 2015, consists of 84 actions, and is estimated to cost

²⁴³⁴ Ethiopia: France, Ethiopia to Work Together On Climate Change, Ethiopian Radio and Television Agency (Addis Ababa) 8 July 2013. Date of Access: 21 July 2013.

<http://allafrica.com/stories/201307090096.html>.

²⁴³⁵ Submission by Ireland and the European Commission on behalf of the European Union and its Member States, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁴³⁶ Communiqué de presse: La France veut un accord à Doha, Ministère de l'Écologie, du Développement durable et de l'Énergie (Doha) 5 December 2012. Date of Access: 7 February 2013.

http://www.developpement-durable.gouv.fr/IMG/pdf/05-12-12_CP_conjoint_Doha.pdf.

²⁴³⁷ Communiqué de presse: Ouverture de la Conférence Climat de Doha, Ministère de l'Écologie, du Développement durable et de l'Énergie (Doha) 26 November 2012.

http://www.developpement-durable.gouv.fr/IMG/pdf/2012-11-26_-

[Ouverture_de_la_Conference_climat_de_Doha.pdf](http://www.developpement-durable.gouv.fr/IMG/pdf/2012-11-26_-Ouverture_de_la_Conference_climat_de_Doha.pdf).

²⁴³⁸ Programme Budget for Biennium 2012-2013, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 20 December 2012.

http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_budget.pdf.

²⁴³⁹ How France's Development Partnerships are Meeting the Challenges of Climate Change, Développement Durable France. September 2012. Date of Access: 24 December 2012.

http://www.developpement-durable.gouv.fr/IMG/pdf/Doha_fiche_Fast-start_GB.pdf.

²⁴⁴⁰ National Plan Climate Change Adaptation, Ministère de l'Écologie, du Développement durable et de l'Énergie (Paris) 20 July 2011. Date of Access: 7 February 2013.

http://www.developpement-durable.gouv.fr/IMG/pdf/ONERC_PNACC_Eng_part_1.pdf.

EUR171 million.²⁴⁴¹ On 23 July 2012, the Ministry of Ecology, Sustainable Development and Energy reported, that the Plan was being enacted in accordance with the established schedule.²⁴⁴²

In line with decision 1/CP.17 — which instructed Parties to plan the work of the ADP — France has been in correspondence with the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). On 16 July 2012, a letter to the co-chairs of the ADP was submitted by Cyprus on behalf of the European Union and its 27 member states, including France.²⁴⁴³ In the letter, the signed parties offered their opinions on the pace of work of the ADP and urged for “rapid progress” to “ensure Doha [COP 18] takes forward the Durban [COP 17] outcomes [...]”²⁴⁴⁴ The correspondence continued, and was followed by two more joint statements, of 17 October 2012.^{2445,2446}

Additionally, submissions have also been made on behalf of the European Union member states to the Nairobi Work Programme’s Subsidiary Body for Scientific and Technological Advice^{2447,2448,2449} (as governed by decision 6/CP.17) and the Forum and Work Programme on the Impact of the Implementation of Response Measures²⁴⁵⁰ (as directed by decision 8/CP.17).

²⁴⁴¹ Plan national d’adaptation au changement climatique: Point d’avancement, état des actions et mesures au bout de 6 mois, Ministère de l’Ecologie, du Développement durable et de l’Energie (Paris) 23 July 2012. Date of Access: 7 February 2013.

<http://www.developpement-durable.gouv.fr/Plan-national-d-adaptation-au,29116.html>.

²⁴⁴² Plan national d’adaptation au changement climatique: Point d’avancement, état des actions et mesures au bout de 6 mois, Ministère de l’Ecologie, du Développement durable et de l’Energie (Paris) 23 July 2012. Date of Access: 7 February 2013.

<http://www.developpement-durable.gouv.fr/Plan-national-d-adaptation-au,29116.html>.

²⁴⁴³ Letter to the Co-Chairs ADP, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 7 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_16072012.pdf.

²⁴⁴⁴ Letter to the Co-Chairs ADP, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 7 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_16072012.pdf.

²⁴⁴⁵ Response to Joint Message: Workstream on the 2015 Agreement, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 2 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream1_17102012.pdf.

²⁴⁴⁶ Response to Joint Message: Workstream on Enhancing pre 2020 Mitigation Ambition, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 2 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream2_17102012.pdf.

²⁴⁴⁷ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/sb_european_union_and_its_member_states.pdf.

²⁴⁴⁸ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/adaptation/nairobi_work_programme/application/pdf/cy-09-07-nwp.pdf.

²⁴⁴⁹ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 6 January 2013.

Previously, France has spoken supportively of the outcomes of the COP 17. On 7 December 2011, at the Durban Conference, Minister of Foreign and European Affairs Alain Juppé along with Minister of Ecology and Sustainable Development Delphine Batho expressed: “France wants to support the efforts of developing countries — particularly the most vulnerable countries — as we pledged to do in Copenhagen.”²⁴⁵¹ The ministers also noted that: “France would like to go further to ensure the financing of the massive needs of the fight against climate change. The French Presidency of the G20 made the implementation of a tax on financial transactions one of its priorities.”²⁴⁵²

France has expressed its support of the COP 17 outcomes and engaged in the enacting of the decisions on both national and international levels. Thus, for its efforts to advance the climate change dialogue, France has been awarded a score of +1.

Analyst: Rui Li

Germany: +1

Germany has fully complied with its commitment to continue to fight climate change. Germany has repeatedly spoken of its support of the COP 17 decisions and its intent to fully implement them. Presently, Germany is energetically enacting the COP 17 decisions.

Under the UNFCCC, Germany is categorized as an Annex I²⁴⁵³ and Annex II²⁴⁵⁴ member State. Germany signed the Climate Change Convention on 12 June 1992 and ratified it on 9 December 1993. The Convention entered into force on 21 March 1994.²⁴⁵⁵

On 8 December 2012, at the 18th Conference of the Parties to the UNFCCC (COP 18) in Doha, Germany has revealed its ambition to provide “around [EUR]1.8 billion” in 2013 in support of

http://unfccc.int/files/methods_and_science/lulucf/application/pdf/20120716_submcyprus_eu_cy-07-16-lulucf.pdf.

²⁴⁵⁰ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/european_union_and_its_member_states.pdf.

²⁴⁵¹ Durban Conference (28 Nov – 9 Dec 2011), France Diplomatique (Paris) 7 December 2011. Date of Access: 25 January 2013.

<http://www.diplomatie.gouv.fr/en/global-issues/sustainable-development-1097/climate-change/durban-conference-28-nov-9-dec/article/durban-conference-28-nov-9-dec>.

²⁴⁵² Durban Conference (28 Nov – 9 Dec 2011), France Diplomatique (Paris) 7 December 2011. Date of Access: 25 January 2013.

<http://www.diplomatie.gouv.fr/en/global-issues/sustainable-development-1097/climate-change/durban-conference-28-nov-9-dec/article/durban-conference-28-nov-9-dec>.

²⁴⁵³ List of Annex I Parties to the Convention, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

http://unfccc.int/parties_and_observers/parties/annex_i/items/2774.php.

²⁴⁵⁴ Full Text of the Convention: Annex II, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

http://unfccc.int/essential_background/convention/background/items/1348.php.

²⁴⁵⁵ Parties & Observer States: Germany, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 15 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=DE>.

climate action in developing countries, thus building on “Germany’s particularly good relations with progressive developing countries.”²⁴⁵⁶

On 16-17 July 2012, at the third Petersburg Climate Dialogue hosted collaboratively by Federal Environment Minister Peter Altmaier and the president of the COP 18 Deputy Prime Minister of Qatar Abdullah bin Hamad Al-Attiyah in Berlin, representatives from 31 states discussed their plans and ambitions for the COP 18. Germany’s Federal Chancellor Angela Merkel delivered a speech emphasizing the urgency need to act on climate change in order to minimize its impacts.²⁴⁵⁷

On 4 September 2012, Germany’s Federal Minister of Research Annette Schavan and Federal Minister of Environment Peter Altmaier launched a two-day conference under a joint initiative to accelerate Germany’s transition to a sustainable green economy. At the conference, some 450 experts from science, industry, politics, associations and society conversed on numerous topics, including how market-based instruments can be used to achieve sustainable production, pricing and consumption.²⁴⁵⁸ Annette Schavan formulated the initiative’s goal as “to provide society with a guideline for action to effectively address the challenges posed by climate change and the scarcity of energy and resources [and one day to interlink] sustainable approaches from production to corporate management to consumption and recycling in a single system.”²⁴⁵⁹ Mr. Altmaier added: “The process of ‘greening’ the economy is at a very advanced stage in Germany. We make the same profit as ten years ago with fewer resources, lower emissions and less energy consumption. Opportunities on the market are enormous: energy and resource efficiency are increasingly becoming a competitive factor; environmental and efficiency technologies are drivers of growth along the entire industrial value added chain.”²⁴⁶⁰

²⁴⁵⁶ Press release No. 161/12: Climate summit in Doha has opened the door to the future, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 8 December 2012. Date of Access: 15 January 2013.

[http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/climate-summit-in-doha-has-opened-the-door-to-the-future/?tx_ttnews\[backPid\]=82](http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/climate-summit-in-doha-has-opened-the-door-to-the-future/?tx_ttnews[backPid]=82).

²⁴⁵⁷ Press release No. 130/12: Environment Minister Altmaier: Advancing global climate protection, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 17 July 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/environment-minister-altmaier-advancing-global-climate-protection/?tx_ttnews%5BbackPid%5D=103&cHash=14381b4b0b228245b16a0e72c69964b3.

²⁴⁵⁸ Press release No. 171/12: Green Economy – a new economic miracle, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 4 September 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/green-economy-a-new-economic-miracle/?tx_ttnews%5BbackPid%5D=103&cHash=339ef98bbda24b1db495467f2ef12eb7.

²⁴⁵⁹ Press release No. 171/12: Green Economy – a new economic miracle, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 4 September 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/green-economy-a-new-economic-miracle/?tx_ttnews%5BbackPid%5D=103&cHash=339ef98bbda24b1db495467f2ef12eb7.

²⁴⁶⁰ Press release No. 171/12: Green Economy – a new economic miracle, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 4 September 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/green-economy-a-new-economic-miracle/?tx_ttnews%5BbackPid%5D=103&cHash=339ef98bbda24b1db495467f2ef12eb7.

On 9 September 2012, the Federal Environmental Ministry of Germany revealed a USD3 million increase in its assistance for climate policy in the Philippines, thus totalling over EUR30 million of financial support. The funds will be channeled towards a project aiming to establish a better legislative framework on the use of renewable energy. This has been done under the Federal Environmental Ministry's International Climate Initiative (ICI) which supports climate projects in developing, newly industrializing and transition countries.²⁴⁶¹

On 18 September 2012, the Federal Environment Ministry of Germany together with the Verband Deutscher Maschinen — und Anlagenbau (VDMA) Power Systems and the German Wind Energy Association (BWE) signed a memorandum of understanding for further cooperation on the expansion of wind energy in the countries of Central and Eastern Europe, such as Poland, Bulgaria, and Romania.²⁴⁶² The memorandum serves to support the wind energy initiative "Windtec" that has been in development by the VDMA Power Systems and the BWE since November 2011. The Windtec Initiative aims to promote the expansion of the wind energy market in the region thus opening "new opportunities and perspectives for both Germany and its European neighbouring countries," as explained by Katherina Reiche, member of the Bundestag and parliamentary state secretary of the Federal Environment Ministry. Speaking on the Federal Environment Ministry's political support of the Windtec Initiative, Reiche said: "We must now make use of this potential and subsequently bring climate protection in Europe a step further."²⁴⁶³

On 4 December 2012, the governments of Germany and the Dominican Republic signed an agreement on continuing cooperation on the implementation of the Climate Compatible Development Plan (CCDP) of the Dominican Republic.²⁴⁶⁴ The German government pledged EUR4.5 million to a project, which is part of the Nationally Appropriate Mitigation Actions (NAMAs) of the Dominican Republic. The project is expected to commence in 2013 and estimated to reduce 25 per cent of the Dominican Republic's absolute 2010 emissions. Through

²⁴⁶¹ Press release No.121/12: Germany and the Philippines expand cooperation on climate protection and renewable energies, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 11 September 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/germany-and-the-philippines-expand-cooperation-on-climate-protection-and-renewable-energies/?tx_ttnews%5BbackPid%5D=103&cHash=1c8cfe0c67a159c1da59f8ffad99cbd2.

²⁴⁶² Press release No. 128/12: "Windtec Initiative" - Memorandum of understanding for further cooperation signed, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 18 September 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/windtec-initiative-memorandum-of-understanding-for-further-cooperation-signed/?tx_ttnews%5BbackPid%5D=103&cHash=e4d4700c6965424d9ae250a6e2b6ae12.

²⁴⁶³ Press release No. 128/12: "Windtec Initiative" - Memorandum of understanding for further cooperation signed, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 18 September 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/windtec-initiative-memorandum-of-understanding-for-further-cooperation-signed/?tx_ttnews%5BbackPid%5D=103&cHash=e4d4700c6965424d9ae250a6e2b6ae12

²⁴⁶⁴ Germany and The Dominican Republic will implement the second phase of the Climate Compatible Development Plan (CCDP), Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 4 December 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/germany-and-the-dominican-republic-will-implement-the-second-phase-of-the-climate-compatible-development-plan-ccdp/?tx_ttnews%5BbackPid%5D=103&cHash=210dd29325093e3466938cca02a9cf0e.

the Federal Environmental Ministry's ICI, Germany has been supporting the Dominican Republic's CCDP since 2011.

On 6 December, Germany and the United Kingdom announced a launch of a joint NAMA Facility, which is designed to support developing countries in implementation of NAMAs, or projects and policies intended to shift countries' economies towards a low-carbon trajectory.²⁴⁶⁵ Germany has committed EUR40 million to the NAMA Facility. Minister Altmaier welcomed the creation of the NAMA Facility: "With the today's launched NAMA Facility, we stress our commitment to seriously tackle global warming with innovative financing instruments."

On 8 December 2012, following the conclusion of the COP 18, Minister Altmaier spoke supportively of the outcome of the conference: "The 'Doha Climate Gateway' has opened the door to future international climate action. [Now, we] have a clear roadmap which sets the course towards a comprehensive climate agreement."²⁴⁶⁶ Minister Altmaier also made known Germany has allocated around EUR1.8 billion for climate action in developing countries.

On 19 December 2012, Federal Minister for Economics and Technology Dr. Philipp Rösler and Federal Environment Minister Altmaier presented the first monitoring report "Energy of the Future" assessing the progress of the transformation of Germany's energy system, the Energiewende, towards a low-emission, regenerative energy supply.²⁴⁶⁷ Dr. Rösler commented on the "substantial progress" made: "The transformation is well underway. [...] Energy consumption is decreasing, renewable energies are contributing more and more to supply, greenhouse gas emissions are being cut and supply security is ensured." Yet, "there are still some challenges ahead [such as] rising costs, caused in part by the expansion of renewables. [...] The most important task for the future is to keep energy secure and above all affordable," added Dr. Rösler.²⁴⁶⁸

²⁴⁶⁵ Press release No. 160/12: Germany and the United Kingdom launch "NAMA Facility" in Doha, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 6 December 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/germany-and-the-united-kingdom-launch-nama-facility-in-doha/?tx_ttnews%5BbackPid%5D=103&cHash=119fdafc5726cfc879b27140da49b6bc.

²⁴⁶⁶ Press Release No. 161/12: Climate summit in Doha has opened the door to the future, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 8 December 2012. Date of Access: 13 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/climate-summit-in-doha-has-opened-the-door-to-the-future/?tx_ttnews%5BbackPid%5D=103&cHash=90635238f92d2d98c7a3154d2e95b7ca.

²⁴⁶⁷ Press Release No. 164/12: Ministers Rösler and Altmaier present monitoring report "Energy of the Future", Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 19 December 2012. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/ministers-roesler-and-altmaier-present-monitoring-report-energy-of-the-future/?tx_ttnews%5BbackPid%5D=103&cHash=fd9368a1d6fc23ea26cb1aa7494e44e5.

²⁴⁶⁸ Press Release No. 164/12: Ministers Rösler and Altmaier present monitoring report "Energy of the Future", Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 19 December 2012. Date of Access: 15 January 2013.

On 20 December 2012, the BMU and the European Commission announced a joint contribution of EUR10 million to the United Nations Development Programme's (UNDP) Low Emission Capacity Building Programme dedicated to supporting efforts of developing countries to reduce their greenhouse gas emissions.²⁴⁶⁹

On 14 January 2013, Germany took part in the 3rd Assembly of the International Renewable Energy Agency (IRENA) in Abu Dhabi, followed by International Renewable Energy Conference ADIREC and the World Future Energy Summit.²⁴⁷⁰ At the Assembly, Germany's Minister Altmaier and deputy chair of China's National Energy Administration (NEA) Liu Qi signed a Memorandum of Understanding for future cooperation on the expansion of renewable energies between the Federal Ministry of Environment and the NEA.²⁴⁷¹

Previously, Germany has spoken supportively on the outcomes of the COP 17. Thus, on 11 December 2011, Federal Environment Minister Norbert Röttgen called the "Durban Package" a "major, ground-breaking success for global climate protection."²⁴⁷² He also added: "We have now laid the foundations and achieved the momentum for the first international climate agreement to apply to all countries."

Federal Environment Minister Peter Altmaier met with Polish Minister Marcin Korolec at the 16th Polish-German Environment Council on March 3rd.²⁴⁷³ Discussions included climate policy.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/ministers-roesler-and-altmaier-present-monitoring-report-energy-of-the-future/?tx_ttnews%5BbackPid%5D=103&cHash=fd9368a1d6fc23ea26cb1aa7494e44e5.

²⁴⁶⁹ Press release: The European Commission and Germany donate €10 million to UNDP to help countries reduce greenhouse gas emissions, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Bonn) 20 December 2012. Date of Access: 15 January 2013.

<http://www.bmu-klimaschutzinitiative.de/en/press?p=1&d=409>.

²⁴⁷⁰ Press release No. 002/13: Expansion of renewable energies: international meeting of energy ministers and heads of government, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 14 January 2013. Date of Access: 11 February 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/ausbau-der-erneuerbaren-energien-internationales-treffen-mit-energieministern-und-regierungschefs/?tx_ttnews%5BbackPid%5D=103&cHash=b25e5ac4d14919ac3dd4bda4cb85bf03.

²⁴⁷¹ Press release No. 005/13: New partnership for global transformation of energy systems, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 14 January 2013. Date of Access: 11 February 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/neue-partnerschaft-fuer-die-globale-energiewende/?tx_ttnews%5BbackPid%5D=103&cHash=f999e69845b36d405507ebce72b45a83.

²⁴⁷² Press release No. 162/11: Minister Röttgen: Major success for climate protection, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Berlin) 11 December 2011. Date of Access: 15 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/browse/1/artikel/minister-roettgen-major-success-for-climate-protection/?tx_ttnews%5BbackPid%5D=103&cHash=7907df0559d6798722d7625a5b52dc62.

²⁴⁷³ Press release No. 0.18/13: Altmaier: Improved Polish-German cooperation on climate and energy (Berlin) 6 March 2013. Date of access: 19 July 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/detailansicht-en/artikel/altmaier-deutsch-polnische-kooperation-zu-klima-und-energie-vertiefen/?tx_ttnews%5BbackPid%5D=103&cHash=e7d7cadfb65fa238d264dab3f6e73ff4.

Additionally, on July 15th, at the first Green Weimar Triangle meeting, minister Altmaier met again with minister Korolec as well as French minister Philippe Martin to discuss international climate policies. In preparation for upcoming international conferences in Paris and Warsaw, the ministers agreed to cooperate closely.²⁴⁷⁴

On 8 March 2013, in line with decision of COP 17 for the able parties to provide guidance and financial support for climate change adaptation to the parties in need, the Federal Ministry for Environment, Nature Conservation, and Nuclear Safety (BMU) has approved a programme of EUR5 million for Grenada to combat climate change risks.²⁴⁷⁵ Similarly, on 29 May 2013, the BMU announced that the International Climate Initiative has made EUR2 million available to the project “Climate Risk Adaptation and Insurance in the Caribbean” (ICI). A livelihood protection policy (LPP) was given to Castries, St. Lucia and is meant to offer insurance protection from extreme weather events that are increasing due to climate change.²⁴⁷⁶

In May 2013, Germany participated in the fourth Petersburg Climate Dialogue. Upon the conclusion of the Dialogue, Altmaier said that “almost all countries [were] now committed to climate action at the national level [were] contributing to keeping global warming below 2°C.”²⁴⁷⁷

In addition, Germany has been participating in the work of working groups of the UNFCCC. Thus, on 16 July 2012, Cyprus on behalf of the European Union and its 27 member States, including Germany, in line with decision 1/CP.17, released a letter suggesting how to further advance the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²⁴⁷⁸ Also, on 17 October 2012, Cyprus on the behalf of the European Union and its 27 member States made two more similar submissions with suggestions on administrative and organizational matters of the work of the ADP.^{2479,2480}

²⁴⁷⁴ Press release No. 107/13. First meeting of environment ministers for Weimar Triangle (Berlin) 15 July 2013. Date of access: 19 July 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/detailansicht-en/artikel/erstes-treffen-der-umweltminister-im-rahmen-des-weimarer-dreiecks/?tx_ttnews%5BbackPid%5D=103&cHash=0a5c1b207371c761039bc3074c84b0c2.

²⁴⁷⁵ Press release No. 036/13: Launch of a Programme to adapt to the impacts of climate change in Grenada (Berlin) 18 March 2013. Date of access: 19 July 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/detailansicht-en/artikel/grenada-neue-wege-zur-anpassung-an-die-folgen-des-klimawandels/?tx_ttnews%5BbackPid%5D=103&cHash=88c73326a4216a83c093b8ca0d9d4afa

²⁴⁷⁶ Press release No. 072/13. Federal Environment Ministry supports population of St. Lucia with insurance against extreme weather damage (Berlin) 29 May 2013. Date of access: 19 July 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/detailansicht-en/artikel/federal-environment-ministry-supports-population-of-st-lucia-with-insurance-against-extreme-weather-damage/?tx_ttnews%5BbackPid%5D=103&cHash=606604e06333487a0f51eddf149bf575

²⁴⁷⁷ Press release No 048/13: Successful conclusion to fourth Petersburg Climate Dialogue (Berlin) 7 May 2013. Date of access: 19 July 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/detailansicht-en/artikel/vierter-petersberger-klimadialog-erfolgreich-beendet/?tx_ttnews%5BbackPid%5D=103&cHash=515929bf60b30decf451d2b60e17e800

²⁴⁷⁸ Letter to the co-chairs of the ADP, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 15 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_16072012.pdf.

²⁴⁷⁹ Response to Joint Message: Workstream on the 2015 Agreement, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 17 January 2013.

Submissions have also been made by Germany — or on the behalf of Germany — to the Nairobi work programme’s Subsidiary Body for Scientific and Technological Advice (as governed by decision 6/CP.17)^{2481, 2482} and the Forum and Work Programme on the Impact of the Implementation of Response Measures (as directed by decision 8/CP.17)²⁴⁸³.

Furthermore, Germany has complied with draft decision 3/CP.17 — which invited Parties to make financial contributions for the start-up of the Green Climate Fund — by providing finances in support of the work of the Transitional Committee and its administrative budget.²⁴⁸⁴

Germany has remained actively engaged with the Workings Groups formed under the UNFCCC. Thus, in March-July 2013, the European Commission on behalf of the European Union and its member states — including Germany — made submissions to the COP and CMP^{2485, 2486, 2487, 2488},

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream1_17102012.pdf.

²⁴⁸⁰ Response to Joint Message: Workstream on Enhancing pre 2020 Mitigation Ambition, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 17 January 2013. http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream2_17102012.pdf.

²⁴⁸¹ Submission by Cyprus and the European Commission on behalf of the European Union and its member States, United Nations Framework Convention on Climate Change (Bonn), 7 September 2012. Date of Access: 17 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cy-07-09-ccs.pdf.

²⁴⁸² Submission by Cyprus and the European Commission on behalf of the European Union and its member States, United Nations Framework Convention on Climate Change (Bonn), 16 July 2012. Date of Access: 17 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_cy-07-16-crf.pdf.

²⁴⁸³ Submission by Cyprus and the European Commission on behalf of the European Union and its member States, United Nations Framework Convention on Climate Change (Bonn), 14 July 2012. Date of Access: 17 January 2013

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/european_union_and_its_member_states.pdf.

²⁴⁸⁴ Report of the Green Climate Fund to the Conference of the Parties (FCCC/CP/2012/5), United Nations Office at Geneva (Geneva) 20 November 2012. Date of Access: 15 January 2012.

<http://unfccc.int/resource/docs/2012/cop18/eng/05.pdf>.

²⁴⁸⁵ Submission by Ireland and the European Commission on behalf of the European Union and its Member States, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁴⁸⁶ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ireland_eu_fifthreview_01032013.pdf.

²⁴⁸⁷ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 19 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ltf_eu_19032013.pdf.

²⁴⁸⁸ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 29 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_fs_f_eu_2013.pdf.

the ADP^{2489,2490,2491}, the Subsidiary Body for Implementation (SBI)²⁴⁹², and the SBSTA²⁴⁹³. All submissions are in line with requests by various decisions of the COP 17.

Thus, Germany has been supportive of the COP 17 decisions and participating in the UNFCCC initiatives. Germany has been actively promoting the fight against climate change domestically, regionally, and internationally. For this, Germany is awarded a score of +1.

*Analyst: Joyce Arabian
Co-director of Compliance: Vera V. Gavrilova*

India: +1

India has complied with its commitment on climate change. Government of India has continued to declare its support for the United Nations Framework Convention on Climate Change (UNFCCC) and has set targets to reduce its greenhouse gas emissions.

Under the UNFCCC, India is categorized as a Non-Annex member State.²⁴⁹⁴ India signed the Climate Change Convention on 10 June 1992 and ratified it on 1 November 1993. The Convention entered into force on 21 March 1994.²⁴⁹⁵

At the Durban Conference, India had expressed its reluctant support of the decisions reached at the COP 17. On 11 December 2011, India's Environment Minister Jayanthi Nataraj stated: "We've had very intense discussions, we were not happy with reopening the text, but in the spirit

²⁴⁸⁹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁴⁹⁰ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130301.pdf.

²⁴⁹¹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_2_20130527.pdf.

²⁴⁹² Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 4 March 2013. Date of Access: 22 July 2013.

[https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ireland_\(eu\).pdf](https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ireland_(eu).pdf).

²⁴⁹³ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 15 July 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_submission_review_guidelines.pdf.

²⁴⁹⁴ Parties & Observer States: India, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=IN>.

²⁴⁹⁵ Parties & Observer States: India, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=IN>.

of flexibility and accommodation shown by all, we have shown our flexibility, we have agreed to the words you just mentioned and we agree to adopt it.”²⁴⁹⁶

In March 2012, India’s Planning Commission, which sets developmental guidelines and goals for the government to pursue, set forth the country’s Twelfth Five Year Plan. The Twelfth Plan includes goals to reduce the country’s greenhouse gas emission intensity of GDP by 20-25 per cent by 2020.²⁴⁹⁷ It also presents a budget of USD10 billion over the course of ten years in order to mitigate climate change.²⁴⁹⁸ The Planning Commission requests the Government of India to “review the list of International Conventions to which India is a signatory and party to fix a timeframe to ratify and fulfill obligations under these Conventions.”²⁴⁹⁹

Though these measures were not proposed in direct response to UNFCCC’s Long-Term Cooperative Action plan, they are in compliance with many of its goals and standards. The Development Council headed by Indian Prime Minister Manmohan Singh approved the plans. However, Prime Minister Singh noted in his closing remarks, “A plan is not a rigid blue print. It is a broad “directional” and “aspirational” document, which must allow for modification.”²⁵⁰⁰

India has complied with all the COP17 decisions that required immediate compliance: from decision 1/COP.17 (adhering to the request of ADP to advance submissions of their views on increasing ambition)²⁵⁰¹ to decision 3/COP.17 (supporting the Green Climate Fund).

India, in compliance with decision 1/CP.17, has periodically submitted suggestions to the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). In accordance with the request of the ADP to submit proposals and opinions for enhanced action, on 28 February 2012, India submitted a report outlining its understanding of the framework of the ADP, providing ideas to increase actions to improve the efficiency of the mechanisms put in place by the UNFCCC,

²⁴⁹⁶ U.N. Climate Talks Agree Legal Pact on Global Warming, Reuters (Durban) 11 December 2011. Date of Access: 25 January 2013.

<http://in.reuters.com/article/2011/12/11/climate-kyoto-idINDEE7BA00F20111211>.

²⁴⁹⁷ Report of the Steering Committee, The Planning Commission (New Delhi) March 2012. Date of Access: 4 January 2013.

http://planningcommission.gov.in/aboutus/committee/strgrp12/strgrp_enf1312.pdf.

²⁴⁹⁸ Mega Shelter Belts Proposed in Western Raj to Contain Climate Change, The Times of India (Jaipur) 28 October 2012. Date of Access: 4 January 2013.

<http://timesofindia.indiatimes.com/city/jaipur/Mega-shelter-belts-proposed-in-western-Raj-to-contain-climate-change/articleshow/16985812.cms>.

²⁴⁹⁹ Managing the Environment, The Planning Commission (New Delhi) 2012. Date of Access: 4 January 2013.

http://12thplan.gov.in/forum_description.php?f=10.

²⁵⁰⁰ PM’s Closing Remarks, Planning Commission (New Delhi) 27 December 2012. Date of Access: 5 January 2013.

http://planningcommission.nic.in/plans/planrel/57ndc/pm_closing_57ndc.pdf.

²⁵⁰¹ Ad Hoc Working Group on the Durban Platform for Enhanced Action, United Nations Framework Convention On Climate Change (Bonn) 28 March 2012. Date of Access: 1 January 2013.

<http://unfccc.int/resource/docs/2012/adp1/eng/misc01.pdf>.

COPs, and conventions to mitigate climate change.²⁵⁰² On 3 August 2012, India submitted an updated version of its previous submission on the ADP to the UNFCCC.²⁵⁰³

On 23 November 2012, India along with various other members made a joint submission to the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA), expressing views and stances on various aspects of the convention pertaining to long-term cooperative action.²⁵⁰⁴

On 23 June 2013, Indian Minister of External Affairs Salman Khurshid and US Secretary of State John Kerry reaffirmed their countries' strong commitment to an enhanced US-India Strategic Dialogue. This is in line with decision 13/CP.17 in because the US provides support for capacity-building action in India, a developing country. An example of this is an agreement signed by the U.S. Trade and Development Agency (USTDA) on 3 May 2013 to conduct a study to support Essar Oil Limited in "assessing its coal bed methane license areas for the presence of commercial grade shale deposits, moving India closer to a potential new domestic energy resource offering cleaner alternatives to coal."²⁵⁰⁵

On 18 July 2013, the UNFCCC approved India's concentrated solar power (CSP) project to be counted towards India's emissions trading scheme. The project — a part of India's renewable energy programme — is a 100MW CSP installation to be built in Rajasthan and expected to generate 2.15 million carbon credits during the first ten years of operations.²⁵⁰⁶

For its adherence with the decisions made at COP17, India is awarded a score of +1.

Analysts: Rui Li and Harinya Shanthakumar

Indonesia: -1

Indonesia has failed to comply with its commitment on climate change. Government of Indonesia has taken no actions to enact the decisions of the COP 17.

Under the UNFCCC, Indonesia is categorized as a Non-Annex member State.²⁵⁰⁷ Indonesia signed the Climate Change Convention on 5 June 1992 and ratified it on 23 August 1994. The Convention entered into force on 21 November 1994.²⁵⁰⁸

²⁵⁰² Submission by India, United Nations Framework Convention on Climate Change (Bonn) 28 March 2012. Date of Access: 25 January 2013.

<http://unfccc.int/resource/docs/2012/adp1/eng/misc01.pdf>.

²⁵⁰³ Submissions from Parties to the ADP, United Nations Framework Convention on Climate Change (Bonn) 7 November 2012. Date of Access: 25 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_india_workstream_1_07112012.pdf.

²⁵⁰⁴ Draft Decision on Shared Vision, United Nations Framework Convention on Climate Change (Bonn) 23 November 2012. Date of Access: 26 January 2013.

http://unfccc.int/files/bodies/awg-lca/application/pdf/sharedvision_bolivia_231112.pdf.

²⁵⁰⁵ U.S.-India Joint Fact Sheet: Sustainable Growth, Energy and Climate Change. US Department of State. Date of Access: 8 July 2013.

<http://www.state.gov/r/pa/prs/ps/2013/06/211017.htm>

²⁵⁰⁶ India unveils plans for massive concentrated solar power, Responding to Climate Change (London) 18 July 2013. Date of Access: 21 July 2013.

<http://www.rtcc.org/india-unveils-plans-for-massive-concentrated-solar-power/>.

²⁵⁰⁷ Parties & Observer States: Indonesia, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=ID>.

Indonesia has been very supportive of the decisions reached at the COP 17 in Durban. On 11 December 2011, the chair of Indonesia's delegation to the COP 17, Rachmat Witoelar, stated: "We welcome the Durban Platform outcome, because since the beginning of the COP-17 trial the Indonesian delegation has been pursuing a balanced outcome decision."²⁵⁰⁹

As of 30 June 2013, the bilateral Indonesia-Australia Carbon Partnership was terminated. The funding for this project, which began in 2008, will not be renewed, even though its goals have not been met.²⁵¹⁰ Given that this was a key forum for long-term action plan, the termination of this scheme signals the end of many of Indonesia's already limited activities in combatting climate change. The bilateral partnership previously focused on: (1) strategic policy dialogue on climate change; (2) supporting the development of Indonesia's National Carbon Accounting System; (3) implementing the incentive-based initiative Reducing Emissions from Deforestation and Forest Degradation (REDD+) demonstration activity in Central Kalimantan. The Indonesian and Australian governments submitted their joint observations of Measurement, Reporting, and Verification on REDD+ pertaining to the Kalimantan, in accordance with the decisions of the COP 17.²⁵¹¹

Also, Indonesia has instituted the Indonesia Climate Change Day, to be held annually. The two-day event highlights Indonesia's commitment to mitigating Climate Change through its compliance with REDD+.²⁵¹²

Indonesian President Susilo Bambang Yudhoyono has pledged to cut 26 per cent of Indonesia's emissions by 2020 and to preserve the country's rainforests.²⁵¹³

Indonesia has been partaking in the COP-led discussions relating to climate change. Thus, on 8 March 2013, Indonesia made a submission to the COP's Standing Committee on Finance expressing its views on the development on the financial mechanism.²⁵¹⁴ Indonesia made another submission on 25 March 2013, formulating its stance on long-term finance.²⁵¹⁵

²⁵⁰⁸ Parties & Observer States: Indonesia, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=ID>.

²⁵⁰⁹ Indonesian Delegates Welcome "Durban Platform," Kompas (Jakarta) 13 December 2011. Date of Access: 26 January 2013.

<http://sains.kompas.com/read/2011/12/13/08105685/Indonesian.Delegates.Welcome.Durban.Platform>.
²⁵¹⁰ Australian-Indonesian Carbon Project Abandoned, The Sydney Morning Herald (Sydney) 2 July 2013. Date of Access: 8 July 2013.

<http://www.smh.com.au/federal-politics/political-news/australianindonesian-carbon-project-abandoned-20130702-2p98w.html>

²⁵¹¹ Doha Calls For Legally Binding Deal For All, The Jakarta Post (Jakarta) 26 November 2012. Date of Access: 29 December 2012.

<http://www2.thejakartapost.com/news/2012/11/26/doha-calls-legally-binding-deal-all.html>.

²⁵¹² Action Under the International Forest Carbon Initiative, Department of Climate Change and Energy Efficiency (Canberra) 30 October 2012. Date of Access: 1 January 2013.

<http://www.climatechange.gov.au/government/initiatives/international-forest-carbon-initiative/action.aspx>.

²⁵¹³ Doha Calls for Legally Binding Deal for All, The Jakarta Post (Jakarta) 26 November 2012. Date of Access: 29 December 2012.

<http://www2.thejakartapost.com/news/2012/11/26/doha-calls-legally-binding-deal-all.html>.

²⁵¹⁴ Submission by the Republic of Indonesia, Elements in the Development of the Further Guidelines for the Fifth Review of the Financial Mechanism, United Nations Framework Convention on Climate Change (Bonn) 8 March 2013. Date of Access: 21 July 2013.

Despite voicing its opinion on the COP-generated climate change policies and regulations, the Indonesian government's minimal efforts to mitigate climate change domestically and its failure to further adhere to the decisions of the COP 17 warrants a score of -1.

Analysts: Rui Li and Harinya Shanthakumar

Italy: 0

Italy has partially complied with its commitment on climate change, as demonstrated by its intent to adhere to the decisions taken at COP 17. Italy, however, is yet to engage in enacting those decisions.

Under the UNFCCC, Italy is categorized as an Annex I member State. Italy signed the Climate Change Convention on 5 June 1992 and ratified it on 15 April 1994. The Convention entered into force on 14 July 1994.²⁵¹⁶

Italy has been supportive of the COP 17 and the outcomes it sought to attain. On 29 November 2011, Minister for the Environment, Land, and Sea Corrado Clini remarked: "The increase in extreme weather events, such as the tragic floods in Genoa, Rome, and Messina, are clear signs that we are also victims of climate change. For this reason, in Durban I ask you to take a strong and ambitious stance towards climate protection and the renewal of the Kyoto Protocol."²⁵¹⁷ Also, commenting on the outcome of the COP 17, on 11 December 2012, Minister Clini noted that he believes, "Italy is in a position to play a lead role in this new partnership between Europe and the emerging economies."²⁵¹⁸

On 27 May 2013, the European Union made a submission to the ADP on behalf of its member states, including Italy.²⁵¹⁹ The submission included the discussion of post-2020 commitments.

On 24 July 2012, seven European countries, including Italy, announced that they would join as new partners in the international initiative Climate and Clean Air Coalition to Reduce Short-

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_indonesia_fifthreview_08032013.pdf.

²⁵¹⁵ Submission by Indonesia: Long-Term Finance, United Nations Framework Convention on Climate Change (Bonn) 21 March 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ltf_indonesia_25032013.pdf.

²⁵¹⁶ Parties & Observer States: Italy, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=IT>.

²⁵¹⁷ Cartolina Elettronica per Clini: A Durban Posizione Forte e Ambiziosa per il Clima e per Kyoto, Green Report (Livorno) 29 November 2011. Date of Access: 23 January 2013.

<http://www.greenreport.it/new/index.php?page=default&id=13470>.

²⁵¹⁸ Il Clima Dopo Durban Secondo il Ministro Clini, Qual Energia (Rome) 11 December 2012. Date of Access: 23 January 2013.

<http://qualenergia.it/articoli/20111212-clini-durban-cop-17-ministro-ambiente-italia-cina-clima>.

²⁵¹⁹ Submission by Ireland and the European Commission on behalf of the European Union and its Member States, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

Lived Climate Pollutants.²⁵²⁰ The initiative, launched in February 2012, seeks “to cut a range of climate-damaging pollutants that also have health and agricultural impacts.”²⁵²¹

Also, on 10 December 2012, the third stage of the “Green Embassy” project was launched in Brasilia, Brazil. The initiative, “strongly supported by the Italian Embassy in Brasilia,” was introduced in 2010 with the installation by EnelGreen Power of 405 photovoltaic panels that enable a saving of 7.6 tons of CO2 emissions each year.²⁵²²

On 18-19 October 2012, Rome played host to the fourth plenary meeting of the National Network of Environmental Authorities and the Managing Authority, held in conjunction with the European Network of Environmental Authorities and Management (ENEA-MA).²⁵²³ Italian Minister of the Environment, Land, and Sea Corrado Clini was among the 145 representatives of Italian and European Environmental and Managing Authorities. Topics of discussion included: “state of the play on preparation of 2014-2020 cohesion policy, statistics and results of climate policy in 2007-2013, strategies and opportunities for integration of the environment, climate, sustainable development and green economy policies in the next programming period 2014-2020.”²⁵²⁴

Italy’s participation in the work of the Ad Hoc Working Groups of the UNFCCC has been incorporated into the correspondence of the European Union on behalf of its member states with Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), the Nairobi Work Programme’s Subsidiary Body for Scientific and Technological Advice, and the Forum and Work Programme on the Impact of the Implementation of Response Measures. Thus, on 16 July 2012, a letter to the co-chairs of the ADP was submitted by Cyprus on behalf of the European Union and its 27 member states, including Italy.²⁵²⁵ In the letter, the signed parties offered their opinions on the pace of work of the ADP and urged for “rapid progress” to “ensure Doha [COP 18] takes

²⁵²⁰ World-Wide Action on Black Carbon, Methane and Other Short-Lived Pollutants Grows as Seven More Countries Join New Coalition, United Nations Environment Programme (Paris) 25 July 2012. Date of Access: 13 January 2013.

<http://www.unep.org/newscentre/Default.aspx?DocumentID=2691&ArticleID=9235&l=en>.

²⁵²¹ World-Wide Action on Black Carbon, Methane and Other Short-Lived Pollutants Grows as Seven More Countries Join New Coalition, United Nations Environment Programme (Paris) 25 July 2012. Date of Access: 13 January 2013.

<http://www.unep.org/newscentre/Default.aspx?DocumentID=2691&ArticleID=9235&l=en>.

²⁵²² Brasilia: Third Stage of “Green Embassy” Project Under Way, Ministry of Foreign Affairs (Rome) 10 December 2012. Date of Access: 13 January 2013.

http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2012/12/20121210_Brasilia.htm.

²⁵²³ Joint Meeting of the Italian Environmental Network and the European Network ENEA-MA in Rome on 18-19 October 2012, Rete Ambientale Italiana (Rome) 22 October 2012. Date of Access: 13 January 2013. <http://reteambientale.minambiente.it/riunione-congiunta-della-rete-ambientale-e-della-rete-europea-enea-ma-a-roma-il-18-19-ottobre-2012-2/?lang=en>.

²⁵²⁴ Joint Meeting of the Italian Environmental Network and the European Network ENEA-MA in Rome on 18-19 October 2012, Rete Ambientale Italiana (Rome) 22 October 2012. Date of Access: 13 January 2013. <http://reteambientale.minambiente.it/riunione-congiunta-della-rete-ambientale-e-della-rete-europea-enea-ma-a-roma-il-18-19-ottobre-2012-2/?lang=en>.

²⁵²⁵ Letter to the Co-Chairs ADP, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 7 February 2013. http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_16072012.pdf.

forward the Durban [COP 17] outcomes [...].²⁵²⁶ The correspondence continued, and was followed by two more joint statements, of 17 October 2012.^{2527,2528}

Additionally, submissions have also been made on behalf of the European Union member states, including Italy, to the Nairobi Work Programme's Subsidiary Body for Scientific and Technological Advice^{2529,2530,2531} (as governed by decision 6/CP.17) and the Forum and Work Programme on the Impact of the Implementation of Response Measures²⁵³² (as directed by decision 8/CP.17).

Although continuing to submit no documents on its own, Italy, however, remained a signatory to a number of submissions made to the UNFCCC by the European Commission on behalf of the European Union and its member states — including Italy — in March-July 2013. Specifically, submission were made to the COP and CMP^{2533,2534,2535,2536}, the ADP^{2537,2538,2539}, the Subsidiary

²⁵²⁶ Letter to the Co-Chairs ADP, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 7 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_16072012.pdf.

²⁵²⁷ Response to Joint Message: Workstream on the 2015 Agreement, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 2 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream1_17102012.pdf.

²⁵²⁸ Response to Joint Message: Workstream on Enhancing pre 2020 Mitigation Ambition, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 2 February 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream2_17102012.pdf.

²⁵²⁹ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/sb_european_union_and_its_member_states.pdf.

²⁵³⁰ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/adaptation/nairobi_work_programme/application/pdf/cy-09-07-nwp.pdf.

²⁵³¹ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/methods_and_science/lulucf/application/pdf/20120716_submcyprus_eu_cy-07-16-lulucf.pdf.

²⁵³² Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/european_union_and_its_member_states.pdf.

²⁵³³ Submission by Ireland and the European Commission on behalf of the European Union and its Member States, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁵³⁴ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

Body for Implementation (SBI),²⁵⁴⁰ and the SBSTA.²⁵⁴¹ All submissions are in line with requests by various decisions of the COP 17.

Thus, Italy has declared its approval of the outcomes of the COP 17 and engaged in a discussion of its future climate change policy. Italy, however, has taken no concrete actions to combat climate change in accordance with decisions of COP 17. Italy has been awarded a score of 0.

Lead Analyst: Samantha Young

Japan: +1

Japan has complied with its commitment to continue to fight climate change, stating its full support of the decisions of the COP 17 and taking some actions to adhere to those decisions.

Under the UNFCCC, Japan is categorized as an Annex I member State. Japan signed the Climate Change Convention on 13 June 1992 and ratified it on 28 May 1993.²⁵⁴² The Convention entered into force on 21 March 1994.²⁵⁴³

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ireland_eu_fifthreview_01032013.pdf.

²⁵³⁵ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 19 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ltf_eu_19032013.pdf.

²⁵³⁶ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 29 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_fsf_eu_2013.pdf.

²⁵³⁷ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁵³⁸ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130301.pdf.

²⁵³⁹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_2_20130527.pdf.

²⁵⁴⁰ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 4 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ireland_eu.pdf.

²⁵⁴¹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 15 July 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_submission_review_guidelines.pdf.

As of 31 October 2012, Japan has provided approximately USD17.4 billion to the Fast-Start Finance, previously known as the Hatoyama Initiative, exceeding its commitment guideline of providing USD15 billion to aid developing countries over a three-year term.²⁵⁴⁴ The majority (70 per cent) of the contribution was directed towards mitigation efforts, while the remainder has been divided among other areas of support, such as REDD+ and providing assistance in adaptation.²⁵⁴⁵

Japan has been transparent regarding its climate change involvement for the future. On 5-6 November 2012 at the ninth Asia–Europe Meeting (ASEM) Summit, Japan reiterated its commitment to “fully implement the outcomes of the Bali Action Plan, the Cancun agreements, and the Durban outcome.”²⁵⁴⁶ As of 10 December 2012, Government of Japan has released its latest initiative to address climate change, focusing on past and continued efforts towards reducing its carbon emissions.²⁵⁴⁷ Efforts include regional cooperation, domestic efforts, and details from the Fast-Start Finance pledge.²⁵⁴⁸

Previously, Japan has spoken in support of a positive COP 17 outcome. On 11 December 2011, Prime Minister Yoshihiko Noda released a statement saying he welcomes “the series of decisions adopted at COP17”²⁵⁴⁹ and that “Japan remains committed to make utmost efforts to arrest the global warming.”²⁵⁵⁰ The prime minister also stated that Japan actively contributed “through efforts such as proposing for the new ad hoc working group to establish a new framework, and

²⁵⁴² Parties & Observer States: Japan, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=JP>.

²⁵⁴³ Parties & Observer States: Japan, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=JP>.

²⁵⁴⁴ The Japanese Fast-Start Finance Contribution, The Overseas Development Institute (London) November 2012. Date of Access: 21 December 2012.

<http://www.odi.org.uk/publications/6969-japan-fast-start-finance-climate-change>.

²⁵⁴⁵ The Japanese Fast-Start Finance Contribution, The Overseas Development Institute (London) November 2012. Date of Access: 21 December 2012.

<http://www.odi.org.uk/publications/6969-japan-fast-start-finance-climate-change>.

²⁵⁴⁶ Chair’s Statement of the 9th ASEM Summit 5-6 November 2012, Ministry of Foreign Affairs of Japan (Tokyo) 6 November 2012. Date of Access: 5 January 2013.

www.mofa.go.jp/policy/economy/asem/asem9/pdfs/chair_state.pdf.

²⁵⁴⁷ Japan’s Initiative to Address Climate Change Issues, Ministry of Foreign Affairs of Japan (Tokyo) 10 December 2012. Date of Access: 2 January 2013.

www.mofa.go.jp/policy/environment/warm/cop/cop18/pdfs/japans_initiative.pdf.

²⁵⁴⁸ Japan’s Initiative to Address Climate Change Issues, Ministry of Foreign Affairs of Japan (Tokyo) 10 December 2012. Date of Access: 2 January 2013.

www.mofa.go.jp/policy/environment/warm/cop/cop18/pdfs/japans_initiative.pdf.

²⁵⁴⁹ Comment by Prime Minister Yoshihiko Noda, Cabinet Secretariat (Tokyo) 11 December 2011. Date of Access: 23 January 2013.

http://www.kantei.go.jp/foreign/noda/diplomatic/201112/11cop17_e.html.

²⁵⁵⁰ Comment by Prime Minister Yoshihiko Noda, Cabinet Secretariat (Tokyo) 11 December 2011. Date of Access: 23 January 2013.

http://www.kantei.go.jp/foreign/noda/diplomatic/201112/11cop17_e.html.

presenting its specific initiatives such as Vision and Actions toward Low-Carbon Growth and a Climate Resilient World.”²⁵⁵¹

Japan has been participating in the work of the various working groups of the UNFCCC. Thus, on 29 November 2012, Japan submitted its views to the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²⁵⁵² The letter contained Japan’s proposal of work to be done in the ADP in 2013, including proposing new initiatives to be enacted by the ADP.²⁵⁵³

On 12 March 2013, Japan made a submission to the ADP that expressed its “full support” and “appreciation” of the Durban decision on the APD “as well as the planning of work as a basis for the future framework.”²⁵⁵⁴

On 14 April 2013, Government of the United States released a fact sheet pertaining to climate change related cooperation between Japan and the United States. According to the fact sheet, Japan and the United States will cooperate with each other and other partners towards reaching “a new, ambitious, global, post-2020 international agreement to combat climate change,”²⁵⁵⁵ and seek to achieve “cooperation to advance low-emissions development in the world, and cooperation on constructing climate-resilient societies.”²⁵⁵⁶

On 18 May 2013, ministers and officials from the 18 countries party to the East Asia Summit attended the Second East Asia Low Carbon Growth Partnership Dialogue. The Dialogue, co-chaired by His Excellency Mr. Fumio Kishida, minister for foreign affairs of Japan, and His Excellency Dr. Mok, senior minister of environment of the kingdom of Cambodia.²⁵⁵⁷ The participants discussed the importance of cutting carbon in East Asian countries and methods of achieving low carbon growth, including: 1) the development and implementation of the low

²⁵⁵¹ Comment by Prime Minister Yoshihiko Noda, Cabinet Secretariat (Tokyo) 11 December 2011. Date of Access: 23 January 2013.

http://www.kantei.go.jp/foreign/noda/diplomatic/201112/11cop17_e.html.

²⁵⁵² Response to the Joint Message from the Co-Chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), United Nations Framework Convention on Climate Change (Bonn) 29 October 2012. Date of Access: 27 January 2013.

<http://unfccc.int/bodies/awg/items/6656.php>.

²⁵⁵³ Response to the Joint Message from the Co-Chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), United Nations Framework Convention on Climate Change (Bonn) 29 October 2012. Date of Access: 27 January 2013.

<http://unfccc.int/bodies/awg/items/6656.php>.

²⁵⁵⁴ Submission by Japan: Information, views and proposals on matters related to the work of Ad Hoc Working

Group on the Durban Platform for Enhanced Action (ADP), United Nations Framework Convention on Climate Change (Bonn) 12 March 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_japan_workstream_1_20130312.pdf.

²⁵⁵⁵ U.S.-Japan Fact Sheet on Climate Change Cooperation, Department of State (Washington) 14 April 2013. Date of Access: 24 June 2013.

<http://www.state.gov/r/pa/prs/ps/2013/04/207479.htm>.

²⁵⁵⁶ U.S.-Japan Fact Sheet on Climate Change Cooperation, Department of State (Washington) 14 April 2013. Date of Access: 24 June 2013.

<http://www.state.gov/r/pa/prs/ps/2013/04/207479.htm>.

²⁵⁵⁷ Second East Asia Low Carbon Growth Partnership Dialogue, Ministry of Foreign Affairs Japan (Tokyo) 18 May 2013. Date of Access: 13 June 2013.

www.mofa.go.jp/mofaj/files/000004897.pdf.

carbon growth strategy in each country, 2) the importance of technology, market and non-market mechanism, and 3) the effective networks among the various stakeholders.²⁵⁵⁸

The participants also welcomed the establishment of the East Asia Knowledge Platform for Low Carbon Growth, agreeing that stakeholders' low carbon growth related experiences should be incorporated into an accessible network to promote research cooperation and improve policy-making processes.²⁵⁵⁹

On 21-22 May 2013, Tokyo hosted the 11th Informal Meeting on Further Actions against Climate Change. The Director-General for Global Issues of the Japanese Ministry of Foreign Affairs, Mr. Takehiro Kagawa, co-chaired the meeting along with Mr. André Aranha Corrêa do Lago, Director-General of the Department of Environment and Special Affairs of the Ministry of External Relations of Brazil.²⁵⁶⁰ The informal meeting provided the opportunity for participating UNFCCC parties to confer on elements which might be included in the COP19/CMP9.²⁵⁶¹

Thus, Japan has been awarded a score of +1 for agreeing to abide the COP 17 decisions and commencing to act on those decisions.

Analyst: Alicia Robinson

Korea: +1

Korea has fully complied with its commitments on climate change as outlined in the decisions made at the COP 17.

Under the UNFCCC, Korea is categorized as a Non-Annex I member State. Korea signed the Climate Change Convention on 11 June 1992 and ratified it on 5 December 1994.²⁵⁶² The Convention entered into force on 5 March 1995.²⁵⁶³

Korea has complied with draft decision 18/CP.17 in contributing to the Programme budget for the biennium 2012-2013.²⁵⁶⁴ Also, on 15 November 2012, Korea submitted its views and recommendations to the Global Environment Facility, as requested.²⁵⁶⁵

²⁵⁵⁸ Second East Asia Low Carbon Growth Partnership Dialogue, Ministry of Foreign Affairs Japan (Tokyo) 18 May 2013. Date of Access: 13 June 2013.
www.mofa.go.jp/mofaj/files/000004897.pdf.

²⁵⁵⁹ Second East Asia Low Carbon Growth Partnership Dialogue, Ministry of Foreign Affairs Japan (Tokyo) 18 May 2013. Date of Access: 13 June 2013.
www.mofa.go.jp/mofaj/files/000004897.pdf.

²⁵⁶⁰ The 11th Informal Meeting on Further Actions against Climate Change, Ministry of Foreign Affairs (Tokyo) 21-22 March 2013. Date of Access: 13 June 2013.
www.mofa.go.jp/mofaj/files/000002286.pdf.

²⁵⁶¹ The 11th Informal Meeting on Further Actions against Climate Change, Ministry of Foreign Affairs (Tokyo) 21-22 March 2013. Date of Access: 13 June 2013.
www.mofa.go.jp/mofaj/files/000002286.pdf.

²⁵⁶² Parties & Observer States: Korea, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=KP>.

²⁵⁶³ Parties & Observer States: Korea, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=KP>.

On 18 September 2012, Korea followed draft decision 16/CP.17 in using the Research Dialogue on Developments in Research Activities Relevant to the Needs of the Convention to discuss climate change-related research findings as part of the meetings undertaken by the Subsidiary Body for Scientific and Technological Advice (SBSTA).²⁵⁶⁶

On 2 November 2012, Korea complied with draft decision 1/CP.17 and presented its submission to the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²⁵⁶⁷ However, the submission was placed after the recommended deadline of February 2012.

Korea has supported developing countries' capacity-building to manage climate change. Korea has channeled financial resources to the UNFCCC's core budget to support technology transfer-related activities as requested by the Technology Executive Committee.²⁵⁶⁸ On 20 October 2012, Korea was chosen to host the Green Climate Fund in its city of Songdo, Incheon.²⁵⁶⁹ Also, Korea has followed draft decision 9/CP.17 in financially contributing to the Least Developed Countries Fund.²⁵⁷⁰

Previously, Korea has reluctantly accepted the outcomes of the COP 17. On 8 December 2011, at the Stakeholder Forum of Durban Conference, Korea's Environment Minister Yoo Young Sook stated: "While South Korea is in many ways considered as a developed country in terms of climate change, this is not by virtue of historical responsibility for emissions. However, South Korea's responsibility [is] for the future, after all it is estimated that 90 per cent of emissions growth to 2050 will come from developing countries."²⁵⁷¹

²⁵⁶⁴ Programme Budget for the Biennium 2012-2013, United Nations Framework Convention on Climate Change (Bonn) 15 November 2011. Date of Access: 21 December 2012.

http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_budget.pdf.

²⁵⁶⁵ Report of the Global Environment Facility to the Conference of Parties, United Nations Framework Convention on Climate Change (Bonn) 15 November 2012. Date of Access: 22 December 2012.

<http://unfccc.int/resource/docs/2012/cop18/eng/06a01.pdf>.

²⁵⁶⁶ Submissions by Liechtenstein, Environmental Integrity Group, Comprising Liechtenstein, Mexico, Monaco, South Korea and Switzerland, 18 September 2012. Date of Access: 21 December 2012.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/sbsta_submission_eig.pdf.

²⁵⁶⁷ Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP): Achievements in Doha – 2015, and Focus and Organization of Work, Environmental Integrity Group, Comprising Switzerland, Mexico, the Republic of Korea, Liechtenstein and Monaco, 2 November 2012. Date of Access: 20 December 2012.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eig_workstream1_02112012.pdf.

²⁵⁶⁸ Programme Budget for the Biennium 2012-2013, United Nations Framework Convention on Climate Change (Bonn). 15 November 2011. Date of Access: 21 December 2012.

http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_budget.pdf.

²⁵⁶⁹ UN's Green Climate Fund Plans Headquarters in South Korea, Bloomberg (Brussels) 20 October 2012. Date of Access: 22 December 2012.

<http://www.bloomberg.com/news/2012-10-20/un-s-green-climate-fund-plans-headquarters-in-south-korea.html>.

²⁵⁷⁰ Least Developed Countries Fund, Global Environment Facility (Washington) 15 June 2012. Date of Access: 20 December 2012.

<http://www.thegef.org/gef/LDCF>.

²⁵⁷¹ Inside: Asia's Dominance at COP17 and its Stance on Climate Change, Stakeholder Forum for a Sustainable Future (London) 8 December 2011. Date of Access: 25 January 2013.

<http://www.stakeholderforum.org/fileadmin/files/COP17DAY11.pdf>.

On 7 May 2013, Korean President Park Geun-hye and United States President Barack Obama signed the 2013-2015 Work Program of the U.S.-Korea Environmental Cooperation Agreement, as per draft decision 2/CP.17 in developing a Long Term Cooperative Action Plan.²⁵⁷² This bilateral agreement sets out the terms and conditions under which the two countries “will intensify cooperation in clean energy research and development, research on climate modeling, workshops on climate risk assessment and adaptation planning, and joint work on the development and adoption of smart grids and energy efficiency technologies that will produce new jobs and markets in this evolving sector.”²⁵⁷³

Thus, Korea receives a score of +1 for its efforts against climate change in accordance with decisions made at the COP 17.

Analyst: Rui Li

Mexico: +1

Mexico has fully complied with its commitment to continue to fight climate change, stating its support of and beginning to adhere to the decisions made at the COP 17.

Under the UNFCCC, Mexico is categorized as a Non-Annex member State. Mexico signed the Climate Change Convention on 13 June 1992 and ratified it on 11 March 1993.²⁵⁷⁴ The Convention entered into force on 21 March 1994.²⁵⁷⁵

On 25-28 September 2012, Mexico hosted the Governor’s Climate and Forest Task Force, dedicated to combating climate change. The Task Force discussed methods of reducing greenhouse gas emissions, mostly in regard to the cutting and burning of tropical forests.²⁵⁷⁶

On 15 November 2012, Government of Mexico has announced that it will begin a program dedicated to climate change mitigation efforts. It is approved for USD15 million from the Inter-American Development Bank (IDB) to be spent towards climate change mitigation efforts.²⁵⁷⁷ The program will “create a dedicated financing line, accessible by communities and their

²⁵⁷² Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 7 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²⁵⁷³ Joint Statement on Addressing Global Climate Change. Office of the Spokesperson, US Department of State(Washington, DC) May 2013. Date of Access: 7 May 2013.

<http://www.state.gov/r/pa/prs/ps/2013/05/209009.htm>.

²⁵⁷⁴ Parties & Observer States: Mexico, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=MX>.

²⁵⁷⁵ Parties & Observer States: Mexico, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=MX>.

²⁵⁷⁶ Doha Climate Talk Could See Measured Progress Towards New Global Agreement, Environmental Defense Fund (New York City) 27 November 2012. Date of Access: 21 December 2012.

<http://blogs.edf.org/climatetalks/2012/11/27/doha-climate-talks-could-see-measured-progress-toward-new-global-agreement/>.

²⁵⁷⁷ Mexico Gets \$15 Million from IDB to Support Climate Change Mitigation, Inter- American Development Bank (Washington) 15 November 2012. Date of Access: 23 December 2012.

<http://www.iadb.org/en/news/news-releases/2012-11-15/climate-change-mitigation-in-mexico,10218.html>.

members, for identified low carbon projects in forest landscape.”²⁵⁷⁸ It is sponsored by the Forest Investment Program (FIP) and will be focused in the five states with the highest levels of net forest loss.²⁵⁷⁹

Furthermore, on 18-20 July 2012, the Mexican government held a workshop on prioritizing water resources in Mexico.²⁵⁸⁰ This workshop on water and adaptation strategies under the Nairobi Work Program included a breakdown of Mexico’s hydrological cycle and national strategies for water resources and climate change.²⁵⁸¹ The workshop emphasized pre-emptive action and the importance of prioritizing and allocating resources.²⁵⁸²

On 31 October 2012, the Mexican government released a progress report on the Financing Low Carbon Strategies in Forest Landscapes project.²⁵⁸³ It is expected that with Mexico’s recent implementation of its Climate Change Law, its Forest Investment Project (FIP) will be effective.²⁵⁸⁴ The FIP project’s credit line financing schemes are currently being designed.²⁵⁸⁵

Previously, Mexico has spoken in support of a positive COP 17 outcome. On 7 December 2011, Secretary of the Environment and Natural Resources Juan Elvira Quesada expressed the need to ensure transparency, and for “the need for legally binding mechanisms under the Convention.”²⁵⁸⁶

Mexico has been participating in the working groups of the UNFCCC. On 2 November 2012, the Environmental Integrity Group, of which Mexico is a party, submitted its views on the work of

²⁵⁷⁸ Mexico Gets \$15 Million from IDB to Support Climate Change Mitigation, Inter-American Development Bank (Washington) 15 November 2012. Date of Access: 23 December 2012. <http://www.iadb.org/en/news/news-releases/2012-11-15/climate-change-mitigation-in-mexico,10218.html>.

²⁵⁷⁹ Mexico Gets \$15 Million from IDB to Support Climate Change Mitigation, Inter-American Development Bank (Washington) 15 November 2012. Date of Access: 23 December 2012. <http://www.iadb.org/en/news/news-releases/2012-11-15/climate-change-mitigation-in-mexico,10218.html>.

²⁵⁸⁰ National Adaptation Planning and Practices on Water Resources from Mexican Perspective, United Nations Framework Convention on Climate Change (Bonn) 20 July 2012. Date of Access: 2 January 2013. http://unfccc.int/files/adaptation/nairobi_work_programme/application/pdf/lopez.pdf.

²⁵⁸¹ National Adaptation Planning and Practices on Water Resources from Mexican Perspective, United Nations Framework Convention on Climate Change (Bonn) 20 July 2012. Date of Access: 2 January 2013. http://unfccc.int/files/adaptation/nairobi_work_programme/application/pdf/lopez.pdf.

²⁵⁸² National Adaptation Planning and Practices on Water Resources from Mexican Perspective, United Nations Framework Convention on Climate Change (Bonn) 20 July 2012. Date of Access: 2 January 2013. http://unfccc.int/files/adaptation/nairobi_work_programme/application/pdf/lopez.pdf.

²⁵⁸³ Progress Updates from FIP Pilot Countries, Climate Investment Funds (Washington) 31 October 2012. Date of Access 3 January 2013. <https://climateinvestmentfunds.org/cif/content/mexico-fip-progress-update-october-2012>.

²⁵⁸⁴ Progress Updates from FIP Pilot Countries, Climate Investment Funds (Washington) 31 October 2012. Date of Access 3 January 2013. <https://climateinvestmentfunds.org/cif/content/mexico-fip-progress-update-october-2012>.

²⁵⁸⁵ Progress Updates from FIP Pilot Countries, Climate Investment Funds (Washington) 31 October 2012. Date of Access 3 January 2013. <https://climateinvestmentfunds.org/cif/content/mexico-fip-progress-update-october-2012>.

²⁵⁸⁶ Statement by Secretary of the Environment and Natural Resources Juan Elvira Quesada, United Nations Framework Convention on Climate Change (Bonn) 7 December 2011. Date of Access 27 January 2013.

http://unfccc.int/meetings/durban_nov_2011/statements/items/6584.php.

the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²⁵⁸⁷ The letter contains the EIG's views on the necessary successes in Doha and its work organization plan for the ADP until COP 21.²⁵⁸⁸

On 29 April 2013, the World Bank released an article outlining the results of Mexico's attempts to adapt to climate change, and to mitigate its effects in collaboration with the World Bank.²⁵⁸⁹ The Mexican government and the World Bank have a "consistent and long-standing partnership in climate change, mitigation and adaptation."²⁵⁹⁰ The World Bank provides a variety of financial services to Mexico in an effort to mitigate and adapt to climate change. The main areas of collaboration being: "energy efficiency and renewable energy, water management, disaster risk management, clean and efficient transport, forests management, and sustainable productive rural development."²⁵⁹¹ Government of Mexico and the World Bank renewed their long-standing engagement to reduce Mexico's ecological footprint.²⁵⁹²

On 3 June 2013, Mexico's Secretary of the Environment and Natural Resources Juan José Guerra Abud released a statement outlining the National Strategy for Climate Change. The National Strategy identifies sources of high emission, along with other anthropogenic causes of climate change that are a threat to Mexico.²⁵⁹³ The Strategy defines lines of action and strategic priorities that Mexico may engage in to combat climate change.²⁵⁹⁴ The Strategy also aims to promote job

²⁵⁸⁷ Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) in 2012: Necessary Achievements and Organisation of Work, United Nations Framework Convention on Climate Change (Bonn) 29 October 2012. Date of Access: 26 January 2012.
<http://unfccc.int/bodies/awg/items/6656.php>.

²⁵⁸⁸ Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) in 2012: Necessary Achievements and Organisation of Work, United Nations Framework Convention on Climate Change (Bonn) 29 October 2012. Date of Access: 26 January 2012.
<http://unfccc.int/bodies/awg/items/6656.php>.

²⁵⁸⁹ Mexico Seeks to Adapt to Climate Change and Mitigate its Effects, The World Bank (Washington DC) 29 April 2013. Date of Access: 14 June 2013.
<http://www.worldbank.org/en/results/2013/04/17/mexico-seeks-to-adapt-to-climate-change-and-mitigate-its-effects>.

²⁵⁹⁰ Mexico Seeks to Adapt to Climate Change and Mitigate its Effects, The World Bank (Washington DC) 29 April 2013. Date of Access: 14 June 2013.
<http://www.worldbank.org/en/results/2013/04/17/mexico-seeks-to-adapt-to-climate-change-and-mitigate-its-effects>.

²⁵⁹¹ Mexico Seeks to Adapt to Climate Change and Mitigate its Effects, The World Bank (Washington DC) 29 April 2013. Date of Access: 14 June 2013.
<http://www.worldbank.org/en/results/2013/04/17/mexico-seeks-to-adapt-to-climate-change-and-mitigate-its-effects>.

²⁵⁹² Mexico Seeks to Adapt to Climate Change and Mitigate its Effects, The World Bank (Washington DC) 29 April 2013. Date of Access: 14 June 2013.
<http://www.worldbank.org/en/results/2013/04/17/mexico-seeks-to-adapt-to-climate-change-and-mitigate-its-effects>.

²⁵⁹³ Acuerdo por el que se expide la Estrategia Nacional de Cambio Climático. Diario Oficial de la Federación (Mexico City) 3 June 2013. Date of Access: 14 June 2013.
http://dof.gob.mx/nota_detalle.php?codigo=5301093&fecha=03/06/2013.

²⁵⁹⁴ Acuerdo por el que se expide la Estrategia Nacional de Cambio Climático. Diario Oficial de la Federación (Mexico City) 3 June 2013. Date of Access: 14 June 2013.
http://dof.gob.mx/nota_detalle.php?codigo=5301093&fecha=03/06/2013.

creation in the sector of clean energy and to enhance the economic and social development in the country through its planned adjustments.²⁵⁹⁵

Mexico has expressed its support of the COP 17 decisions and begun acting on them. Thus, Mexico is awarded a score of +1.

Analyst: Alicia Robinson

Russia: +1

Russia has fully complied with its commitment on climate change.

On 27 December 2012, the Russian Government approved the State Program of the Russian Federation on the Protection of the Environment for 2012-2020. The program's main goal is improvement of environmental safety and preservation of natural systems. The State Program stipulates several policy priorities to achieve this goal:

- reduction of the total anthropogenic impact on the environment by improving the environmental performance of the economy;
- conservation and restoration of biodiversity in Russia;
- improving the functioning of hydrometeorology and environmental monitoring;
- organization and maintenance of research activities in the Antarctic.

Upon its implementation the program is expected to increase the level of protection of the vital interests of the individuals, society and the state from the effects of natural hazards and climate change. It is also aimed at generating new scientific knowledge on climate change.

The State Program also underscores Russia's commitment to adhere to its obligations under the United Nations Framework Convention on Climate Change.²⁵⁹⁶

The Russian Government plans to allocate approximately USD8.66 billion in 2012-2020 towards the program's implementation.²⁵⁹⁷

On 13 December 2012, Russian President created the interdepartmental taskforce on climate change and sustainable development. During its first meeting on 21 February 2013, the taskforce members discussed the issues of "interdepartmental cooperation on implementing the decisions of the 18th UN Climate Change Conference" and "possible measures for stimulating the reduction of man-made greenhouse gas emissions" in Russia. The interdepartmental taskforce will meet regularly "with the aim of assuring effective cooperation between federal executive bodies, other

²⁵⁹⁵ Acuerdo por el que se expide la Estrategia Nacional de Cambio Climático. Diario Oficial de la Federación (Mexico City) 3 June 2013. Date of Access: 14 June 2013.

http://dof.gob.mx/nota_detalle.php?codigo=5301093&fecha=03/06/2013.

²⁵⁹⁶ State Program of the Russian Federation on the Protection of the Environment for 2012-2020, Ministry of Natural Resources and Environment of the Russian Federation 14 January 2013. Date of Access: 27 March 2013. <http://www.mnr.gov.ru/regulatory/detail.php?ID=130036>.

²⁵⁹⁷ State Program of the Russian Federation on the Protection of the Environment for 2012-2020 is made available on the Ministry of Environment web-site, Ministry of Natural Resources and Environment of the Russian Federation 14 January 2013. Date of Access: 27 March 2013.

http://www.mnr.gov.ru/news/detail.php?ID=130037&sphrase_id=275581.

government agencies, NGOs, scientific and other organisations in implementing state policy on issues of climate change and sustainable development”.²⁵⁹⁸

On 24 July 2013, the Federal Law on Protecting the Environment was amended, creating a “legislative foundation to assure that the Russian Federation fulfils its obligations to the Montreal Protocol on Substances that Deplete the Ozone Layer, supplementing the Vienna Convention for the Protection of the Ozone Layer”. The law establishes requirements for the management of ozone-depleting substances, including their production, use, transport, storage, recovery, restitution, recirculation and disposal, as well as their import into Russia and export from Russian.²⁵⁹⁹

Russia has declared its intent to adhere to the decisions of the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change and has taken actions that conform with them. Thus, it is awarded a score of +1.

Analyst: Andrei Sakharov

Saudi Arabia: -1

Saudi Arabia has failed to comply with its commitment on climate change, as it has declared its intent to abide by the decisions taken at the COP 17.

Under the UNFCCC, Saudi Arabia is categorized as a Non-Annex member State.²⁶⁰⁰ Saudi Arabia ratified the Climate Change Convention on 28 December 1994 and it was entered into force on 28 March 1995.²⁶⁰¹

On 7 May 2013, the UNFCCC published Saudi Arabia’s views on various climate change approaches as part of the framework of discussions under the Convention.²⁶⁰² In the paper, Saudi Arabia stated that it believed that parties to the Convention, pursuant to decision 1.CP/17 (which invites parties to submit their views on the design and operation of various approaches), should develop and implement various mitigation approaches, such as market-based initiatives, to promote action and to provide for a variety of programmes that may best be suited for developing countries.²⁶⁰³ Saudi Arabia emphasized the importance of alternative approaches as a way for

²⁵⁹⁸ Meeting of interdepartmental taskforce on issues of climate change and sustainable development, President of Russia 13 March 2013. <http://eng.state.kremlin.ru/administration/5111>.

²⁵⁹⁹ Amendments to law on protecting environment, President of Russia 24 July 2013. <http://eng.kremlin.ru/news/5775>.

²⁶⁰⁰ Parties & Observer States: Saudi Arabia, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013. <http://maindb.unfccc.int/public/country.pl?country=SA>.

²⁶⁰¹ Parties & Observer States: Saudi Arabia, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013. <http://maindb.unfccc.int/public/country.pl?country=SA>.

²⁶⁰² Submission by Saudi Arabia on views on matters related to the Framework for Various Approaches, United Nations Framework Convention on Climate Change (Bonn) 7 May 2013. Date of Access: 12 July 2013. <http://unfccc.int/resource/docs/2013/sbsta/eng/misc11.pdf>

²⁶⁰³ Submission by Saudi Arabia on views on matters related to the Framework for Various Approaches, United Nations Framework Convention on Climate Change (Bonn) 7 May 2013. Date of Access: 12 July 2013. <http://unfccc.int/resource/docs/2013/sbsta/eng/misc11.pdf>

developing countries to continue developing while minimizing the adverse effects of some mitigation measures.²⁶⁰⁴

Additionally, Saudi Arabia reiterated its belief that the Convention should differentiate between developed and developing countries so as to not forgo the principles of equity and common but differentiated responsibility (CBDR).²⁶⁰⁵ To that end, Saudi Arabia recommended a set of guiding principles with the goal of granting developing countries more flexibility in what measures they may take to combat climate change without sacrificing development and self-sufficiency.²⁶⁰⁶

On 18 April 2013, the UNFCCC released Saudi Arabia's views on implementing climate change response measures.²⁶⁰⁷ Saudi Arabia affirmed its commitment to continue researching and collaborating with other states in the area of climate change response measures and on their effects.²⁶⁰⁸ Saudi Arabia thus stated that it would continue to participate in discussions on the matter in order to reduce the negative effects that these measures may have on developing countries and to establish a comprehensive framework under the UNFCCC.²⁶⁰⁹

More specifically, Saudi Arabia stated that climate change response measures taken by Annex I parties should be examined closely in order to ascertain the impact these may have on developing country parties.²⁶¹⁰ To that end, Saudi Arabia urged a more collaborative approach that would

²⁶⁰⁴ Submission by Saudi Arabia on views on matters related to the Framework for Various Approaches, United Nations Framework Convention on Climate Change (Bonn) 7 May 2013. Date of Access: 12 July 2013.

<http://unfccc.int/resource/docs/2013/sbsta/eng/misc11.pdf>

²⁶⁰⁵ Submission by Saudi Arabia on views on matters related to the Framework for Various Approaches, United Nations Framework Convention on Climate Change (Bonn) 7 May 2013. Date of Access: 12 July 2013.

<http://unfccc.int/resource/docs/2013/sbsta/eng/misc11.pdf>

²⁶⁰⁶ Submission by Saudi Arabia on views on matters related to the Framework for Various Approaches, United Nations Framework Convention on Climate Change (Bonn) 7 May 2013. Date of Access: 12 July 2013.

<http://unfccc.int/resource/docs/2013/sbsta/eng/misc11.pdf>

²⁶⁰⁷ Submission by Saudi Arabia on the work programme on the impact of implementation of response measures, United Nations Framework Convention on Climate Change (Bonn) 18 April 2013. Date of Access: 11 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc02.pdf>

²⁶⁰⁸ Submission by Saudi Arabia on the work programme on the impact of implementation of response measures, United Nations Framework Convention on Climate Change (Bonn) 18 April 2013. Date of Access: 11 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc02.pdf>

²⁶⁰⁹ Submission by Saudi Arabia on the work programme on the impact of implementation of response measures, United Nations Framework Convention on Climate Change (Bonn) 18 April 2013. Date of Access: 11 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc02.pdf>

²⁶¹⁰ Submission by Saudi Arabia on the work programme on the impact of implementation of response measures, United Nations Framework Convention on Climate Change (Bonn) 18 April 2013. Date of Access: 11 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc02.pdf>

consider Annex I parties' measures and their effect on non-Annex I parties, with the end goal of producing standardized reporting on mitigation actions to better analyze their effectiveness.²⁶¹¹

Lastly, Saudi Arabia restated its desire to work under the UNFCCC as well as its wish to see a more comprehensive and inclusive climate framework that would explore possible alternatives and differentiate between national and collaborative initiatives, with the purpose of allowing for a more diverse approach to combating climate change.²⁶¹²

On 1 March 2013, Saudi Arabia, as a member of the Like-Minded Developing Countries in Climate Change (LMDC), was present at an LMDC meeting in Geneva. Saudi Arabia, along with the LMDC, stressed that developing countries have taken action to adapt and mitigate the effects of climate change, despite being not being the main contributors to the problem.²⁶¹³

Moreover, Saudi Arabia also concurred with the LMDC's stance on the Ad hoc Working Group on the Durban Platform for Enhanced Action (ADP) and stated that it will abide by UNFCCC's framework on negotiations and would focus on the principles espoused by the common but differentiated responsibilities and respective capabilities.²⁶¹⁴ In short, Saudi Arabia reiterated its goal to combat climate change under the UNFCCC's auspices and also called for developed countries to contribute more to the mitigation and adaptation efforts of developing countries.²⁶¹⁵

On 5 December 2012, during the Doha Conference in Qatar, Saudi Arabian Petroleum and Mineral Resources Minister Ali Al-Naimi noted "an urgent need" to find a solution for climate change. Asserting a shared responsibility by all governments to fight climate change, he reaffirmed Saudi Arabia's commitment to renewable energy and its goal to attain 30 per cent of its power from solar energy by the year 2030. Minister Al-Naimi declared that, "Saudi Arabia is diversifying its economy away from over reliance on hydrocarbons."²⁶¹⁶

However, the Minister did not declare any intent to lower Saudi Arabia's greenhouse gas (GHG) emissions. On 7 December 2012, Bahrain, Qatar, Saudi Arabia, and the United Arab Emirates

²⁶¹¹ Submission by Saudi Arabia on the work programme on the impact of implementation of response measures, United Nations Framework Convention on Climate Change (Bonn) 18 April 2013. Date of Access: 11 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc02.pdf>

²⁶¹² Submission by Saudi Arabia on the work programme on the impact of implementation of response measures, United Nations Framework Convention on Climate Change (Bonn) 18 April 2013. Date of Access: 11 June 2013.

<http://unfccc.int/resource/docs/2013/sb/eng/misc02.pdf>

²⁶¹³ Like Minded Developing Countries on Climate Change Meeting, Like Minded Developing Countries on Climate Change (Geneva) 1 March 2013. Date of Access: 11 July 2013.

http://www.mmrree.gob.ec/imagenes/2013/lmdc_press_release_feb13_eng.pdf

²⁶¹⁴ Like Minded Developing Countries on Climate Change Meeting, Like Minded Developing Countries on Climate Change (Geneva) 1 March 2013. Date of Access: 11 July 2013.

http://www.mmrree.gob.ec/imagenes/2013/lmdc_press_release_feb13_eng.pdf

²⁶¹⁵ Like Minded Developing Countries on Climate Change Meeting, Like Minded Developing Countries on Climate Change (Geneva) 1 March 2013. Date of Access: 11 July 2013.

http://www.mmrree.gob.ec/imagenes/2013/lmdc_press_release_feb13_eng.pdf

²⁶¹⁶ Gulf States Quiet on Climate Change Pledges, Aljazeera (Doha) 1 December 2012. Date of Access: 5 January 2013.

<http://www.aljazeera.com/indepth/features/2012/11/20121130115051950778.html>

made a joint submission to the UNFCCC. The submission acknowledged the countries' unwillingness to adopt any domestic policies that may impede their economic growth.²⁶¹⁷

In November 2012, Saudi Arabia along with various other nations submitted a joint report to the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA) on various decisions pertaining to the AWG-LCA and its operations.²⁶¹⁸

Saudi Arabia has declared it would continue to work under the UNFCCC but expressed no intent to adhere to the decisions of COP 17. Therefore, Saudi Arabia is awarded a score of -1.

Analysts: David Gelles and Harinya Shanthakumar

South Africa: +1

South Africa has fully complied with its commitment on climate change, having declared its intent to fully adhere to the decisions of the COP 17 and has begun taking actions on these decisions.

Under the UNFCCC, South Africa is categorized as a Non-Annex I member State. South Africa signed the Climate Change Convention on 15 June 1993 and ratified it on 25 August 1997. The Convention entered into force on 27 November 1997.²⁶¹⁹

In December 2012, at the 18th United Nations Framework Convention on Climate Change Conference (COP 18) in Doha, the South African government declared its commitment to the development of a green economy, and has taken policy actions towards implementing adaptation and mitigation elements in its National Climate Change Response Policy. At the Conference, South Africa's Minister of Water and Environmental Affairs Edna Molewa spoke of South Africa's inclusive approach to climate change and specified that South Africa regarded the global climate change response as part of its sustainable development agenda and not solely an environmental issue.²⁶²⁰

On 28 June 2012, Deputy Minister of Water and Environmental Affairs Rejoice Mabudafhasi participated in a High-Level Panel Discussion on "Promoting Inclusive Green Growth and Building a Green Economy as a Means to Achieve Sustainable Development."²⁶²¹ The South African government has established a Green Fund that supports the country's transition to a green

²⁶¹⁷ Submission from Bahrain, Saudi Arabia, Qatar and United Arab Emirates, United Nations Framework Convention on Climate Change (Doha) 7 December 2012. Date of Access: 4 January 2012.

<http://unfccc.int/resource/docs/2012/cop18/eng/misc02.pdf>.

²⁶¹⁸ Draft Decision on Shared Vision, United Nations Framework Convention on Climate Change (Bonn) 23 November 2012. Date of Access: 26 January 2013.

http://unfccc.int/files/bodies/awg-lca/application/pdf/sharedvision_bolivia_231112.pdf.

²⁶¹⁹ Parties & Observer States: South Africa, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=ZA>.

²⁶²⁰ South Africa at Climate Change Talks in Qatar to Advance Effective Global Response to the Global Challenge of Climate Change for Sustainable Development, Department of Environmental Affairs (Cape Town) 3 December 2012. Date of Access: 5 January 2013.

http://www.environment.gov.za/?q=content/sa_atcop18qatar_climatechangetalks.

²⁶²¹ Deputy Minister Rejoice Mabudafhasi Addresses High-Level Panel Discussion on "Promoting Inclusive Green Growth and Building a Green Economy as a Means to Achieve Sustainable Development," Department of Environmental Affairs (Rio de Janeiro) 18 June 2012. Date of Access: 5 January 2013.

http://www.environment.gov.za/?q=content/mabudafhasi_greeneconomy_rio20.

economy. Additionally, the National Strategy on Sustainable Development (NSSD) sets out the country's sustainable development priorities and actions over the next five years with eight focuses. These include: (1) green buildings and the built environment; (2) sustainable transport and infrastructure; (3) clean energy and energy efficiency; (4) resource conservation and management; (5) sustainable waste management practices; (6) agriculture, food production, and forestry; (7) water management; (8) sustainable consumption and production.²⁶²²

On 5 July 2012, the South African Minister of Water and Environmental Affairs, Ms. Edna Molewa, announced South Africa's approach to implementing adaptation and mitigation elements of the National Climate Change Response Policy, in addition to the launch of the Department of Public Enterprise Climate Change Policy Framework for state-owned companies.²⁶²³ The policy has identified and prioritized the sectors that need immediate adaptation intervention, including water, agriculture and forestry, health, biodiversity, and human settlements. Mitigation actions are expected to collectively result in the reduction of emissions by 34 per cent relative to the business as usual trajectory by 2020 and 42 per cent by 2025.²⁶²⁴

Furthermore, on 20-21 September 2012, ministers from the BASIC (Brail, South Africa, India, and China) countries, held their twelfth Ministerial Meeting in Brasilia, Brazil.²⁶²⁵ At the conclusion of the meeting, the group released a joint statement, reiterating their commitment to the full implementation of the decisions taken at the COP 17. The BASIC leaders stressed the need to "consider sources for long-term finance and the continued scaling-up of financing in the 2013-2020 period."²⁶²⁶

South Africa has been participating in the work of the working groups of the UNFCCC. On 18 August 2012, Swaziland on behalf of the African Group, in line with decision 1/CP.17, released a letter suggesting how to further advance the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²⁶²⁷

Previously, South Africa has spoken supportively on the outcomes of the COP 17. On 6 December 2011, President Jacob Zuma stated in reference to the Durban Platform, "it is

²⁶²² Deputy Minister Rejoice Mabudafhasi Addresses High-Level Panel Discussion on "Promoting Inclusive Green Growth and Building a Green Economy as a Means to Achieve Sustainable Development," Department of Environmental Affairs (Rio de Janeiro) 18 June 2012. Date of Access: 5 January 2013. http://www.environment.gov.za/?q=content/mabudafhasi_greeneconomy_rio20.

²⁶²³ Speech by the Minister of Water and Environmental Affairs, Ms. Edna Molewa, at the Launch of the Department of Public Enterprise Climate Change Policy Framework for State-Owned Companies, Department of Environmental Affairs (Cape Town) 5 July 2012. Date of Access: 5 January 2013. <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=28797&tid=74878>.

²⁶²⁴ Speech by the Minister of Water and Environmental Affairs, Ms. Edna Molewa, at the Launch of the Department of Public Enterprise Climate Change Policy Framework for State-Owned Companies, Department of Environmental Affairs (Cape Town) 5 July 2012. Date of Access: 5 January 2013. <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=28797&tid=74878>.

²⁶²⁵ BASIC Countries Call for Strengthened Commitments Ahead of Doha, International Institute for Sustainable Development (New York) 21 September 2012. Date of Access: 2 January 2012. <http://climate-l.iisd.org/news/basic-countries-call-for-strengthened-commitments-ahead-of-doha/>.

²⁶²⁶ BASIC Countries Call for Strengthened Commitments Ahead of Doha, International Institute for Sustainable Development (New York) 21 September 2012. Date of Access: 2 January 2012. <http://climate-l.iisd.org/news/basic-countries-call-for-strengthened-commitments-ahead-of-doha/>.

²⁶²⁷ Submission by Swaziland on Behalf of the African Group, United Nations Framework Convention on Climate Change (Bonn) 5 September 2012. Date of Access: 23 January 2013. http://unfccc.int/files/meetings/ad_hoc_working_groups/kp/application/pdf/adp_africangroup_050912.pdf.

important that there is common ground on the elements that will remain critical in reaching any agreement. These are multilateralism, environmental integrity, common but differentiated responsibility and respective capabilities, equity, and honoring of all international commitments and undertakings made in the climate change process.²⁶²⁸

On 20 June 2013, the Department of Environmental Affairs hosted the National Climate Change Response Stakeholder Workshop, in Benoni, Gauteng. The purpose of the Workshop was for the discussion and wider stakeholder consultation on the implementation of the National Climate Change Response Policy (NCCRP). This initiative represents “South Africa’s vision for an effective climate change response, and the long-term just transition to a climate resilient and lower carbon economy and society.”²⁶²⁹

A process of developing long-term adaptation scenarios is currently underway. These will project and evaluate the socio-economic and environmental implications of the potential impacts of anticipated climate change and climate variability for key sectors (e.g., water, agriculture, biodiversity, health, forestry and fisheries, and human settlements) based on a set of consensus climate scenarios for South Africa. Additionally, a mitigation potential analysis is being undertaken which will review current and future emission trends of key sectors, and analyze mitigation options.²⁶³⁰ The design of the draft M&E system for climate change responses is currently underway to complete this work by the end of 2013. The Near-term Priority Flagship Programme is in the process of establishing partnerships with on-going programmes that address both mitigation and adaptation aspects in order to support new initiatives that are ready for implementation.²⁶³¹

Thus, South Africa has been awarded a score of +1 for its policy initiatives taken towards combatting climate change.

Analyst: Jelena Djuric

Turkey: 0

Turkey has partially complied with its commitment to continue to fight climate change, as it has begun to take steps to improve its capacity to mitigate the effects of climate change by partaking in regional and international climate change initiatives.

²⁶²⁸ Addresses by President Jacob Zuma at the Official Opening of United Nations Climate Change Conference COP17/CMP7 High-Level Segment, United Nations Framework Convention on Climate Change (Bonn) 6 December 2011. Date of Access: 27 January 2013.
http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111206_cop17_hls_jacob_zuma.pdf.

²⁶²⁹ The Department of Environmental Affairs hosts the National Climate Change Response Stakeholder Workshop, Department of Environmental Affairs (Pretoria) 20 June 2013. Date of Access: 27 June 2013.
https://www.environment.gov.za/nccrp_stakeholderworkshop.

²⁶³⁰ Statement by the Minister of Water and Environmental Affairs, Ms. Edna Molewa, at the Launch of the National Climate Change Response Workshop, Department of Environmental Affairs (Cape Town) 20 June 2013. Date of Access: 26 June 2013.
<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=37459&tid=110699>.

²⁶³¹ Statement by the Minister of Water and Environmental Affairs, Ms. Edna Molewa, at the Launch of the National Climate Change Response Workshop, Department of Environmental Affairs (Cape Town) 20 June 2013. Date of Access: 26 June 2013.
<http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=37459&tid=110699>.

Under the UNFCCC, Turkey is categorized as an Annex I member State.²⁶³² Turkey ratified the Climate Change Convention on 24 February 2004 (the date of Turkey's signature is unavailable). The Convention entered into force on 24 May 2004.²⁶³³

On 21 December 2012, the European Investment Bank (EIB) renewed its support for Turkey with a EUR300 million package aimed, among other things, at helping Turkey adapt to the effects of climate change.²⁶³⁴ According to EIB Vice-President Pim van Ballekom, the package is aimed particularly at supporting Turkey in its attempts to strengthen its flood prevention and protection measures.²⁶³⁵ As per the EIB, EUR100 million of the EUR300 million package will be directed towards climate change adaptation measures in flood prevention and protection for various river basins across the country.²⁶³⁶ Government of Turkey will directly implement the required measures, under Turkey's State Hydraulic Works (DSI). DSI's work on the project will protect people from the impact of floods and will further contribute to Turkey's adaptation measures to the effects of climate change.²⁶³⁷

Moreover, on 30 August 2012, the United Nations Office for Disaster Risk Reduction (UNISDR) along with the World Meteorological Organization (WMO) launched a two-year project in collaboration with the national authorities of the benefiting countries, including Turkey.²⁶³⁸ The project seeks to reduce disaster risks while increasing resilience against the effects of climate change. Turkey is susceptible to disasters such as flooding, landslides, forest fires, and droughts — all of which are exacerbated by climate change.²⁶³⁹ The project will thus seek to mitigate the effects of these disasters and to improve regional cooperation between national governments in order to strengthen regional and local capacity to adapt to climate variability. The project will

²⁶³² Parties & Observer States: Turkey, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=TR>.

²⁶³³ Parties & Observer States: Turkey, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=TR>.

²⁶³⁴ EIB Finances Climate Action and Smart Growth in Turkey, Balkans Business News (Belgrade) 21 December 2012. Date of Access: 3 January 2012.

<http://www.balkans.com/open-news.php?uniquenumber=166306>.

²⁶³⁵ EIB Finances Climate Action and Smart Growth in Turkey, Balkans Business News (Belgrade) 21 December 2012. Date of Access: 3 January 2012.

<http://www.balkans.com/open-news.php?uniquenumber=166306>.

²⁶³⁶ EIB Finances Climate Action and Smart Growth in Turkey, Balkans Business News (Belgrade) 21 December 2012. Date of Access: 3 January 2012.

<http://www.balkans.com/open-news.php?uniquenumber=166306>.

²⁶³⁷ EIB Finances Climate Action and Smart Growth in Turkey, Balkans Business News (Belgrade) 21 December 2012. Date of Access: 3 January 2012.

<http://www.balkans.com/open-news.php?uniquenumber=166306>.

²⁶³⁸ Building Resilience to Disasters in Western Balkans and Turkey, United Nations Office for Disaster Risk Reduction (Geneva) 30 August 2012. Date of Access: 3 January 2012.

<http://www.unisdr.org/archive/28239>.

²⁶³⁹ Building Resilience to Disasters in Western Balkans and Turkey, United Nations Office for Disaster Risk Reduction (Geneva) 30 August 2012. Date of Access: 3 January 2012.

<http://www.unisdr.org/archive/28239>.

also develop a regional information sharing system to facilitate information exchange, in accordance with requests of the COP 17.²⁶⁴⁰

Turkey has been participating in the working groups of the UNFCCC. On 14 November 2012, Turkey submitted a document to the Ad Hoc Working Group on Long-term Cooperative Action.²⁶⁴¹ The document presented Turkey's proposal for a capacity-building framework. Turkey urged Annex II parties, as well as relevant organizations, to provide technical and financial support to Parties with special circumstances under the Convention, so that they may better adapt and improve their capacity-building.²⁶⁴² Turkey further stated that capacity building is crucial to those Parties with special circumstances, as it is critical that these Parties "enhance their ability to address climate change issues."²⁶⁴³ Additionally, Turkey stated that capacity-building efforts should be country-specific and in line with national development strategies and goals, as well as contributing to the implementation of the Convention. Lastly, Turkey urged Parties to work cooperatively to support the implementation for the proposed framework of capacity building.²⁶⁴⁴

On 20 June 2013, Turkey announced that it drafted the Watershed Conservation Action Plan. The plan will serve to direct conservation efforts in key Turkish waterways.²⁶⁴⁵ The government of Turkey stated that the plan would be in effect for all watersheds by the end of 2013.²⁶⁴⁶ The approached outlined in the plan will look at short, medium, and long-term action, as well as branch out for regional and European cooperation.²⁶⁴⁷

²⁶⁴⁰ Building Resilience to Disasters in Western Balkans and Turkey, United Nations Office for Disaster Risk Reduction (Geneva) 30 August 2012. Date of Access: 3 January 2012.
<http://www.unisdr.org/archive/28239>.

²⁶⁴¹ Paper no. 10: Turkey, Ideas and Proposals on the Elements Contained in Paragraph 1 of the Bali Action Plan, United Nations Framework on Climate Change (Bonn) 16 November 2012. Date of Access: 26 January 2013.
<http://unfccc.int/resource/docs/2012/awglca15/eng/misc08.pdf>.

²⁶⁴² Paper no. 10: Turkey, Ideas and Proposals on the Elements Contained in Paragraph 1 of the Bali Action Plan, United Nations Framework on Climate Change (Bonn) 16 November 2012. Date of Access: 26 January 2013.
<http://unfccc.int/resource/docs/2012/awglca15/eng/misc08.pdf>.

²⁶⁴³ Paper no. 10: Turkey, Ideas and Proposals on the Elements Contained in Paragraph 1 of the Bali Action Plan, United Nations Framework on Climate Change (Bonn) 16 November 2012. Date of Access: 26 January 2013.
<http://unfccc.int/resource/docs/2012/awglca15/eng/misc08.pdf>.

²⁶⁴⁴ Paper no. 10: Turkey, Ideas and Proposals on the Elements Contained in Paragraph 1 of the Bali Action Plan, United Nations Framework on Climate Change (Bonn) 16 November 2012. Date of Access: 26 January 2013.
<http://unfccc.int/resource/docs/2012/awglca15/eng/misc08.pdf>.

²⁶⁴⁵ Drafted Watershed Conservation Action Plan, Directorate General of Water Management (Ankara) 20 June 2013. Date of Access: 24 June 2013.
http://suyonetimi.ormansu.gov.tr/AnaSayfa/resimliHaber/13-06-20/HAVZA_KORUMA_EYLEM_PLANI_TASLAKLARI_HAZIRLANDI.aspx?sflang=tr.

²⁶⁴⁶ Drafted Watershed Conservation Action Plan, Directorate General of Water Management (Ankara) 20 June 2013. Date of Access: 24 June 2013.
http://suyonetimi.ormansu.gov.tr/AnaSayfa/resimliHaber/13-06-20/HAVZA_KORUMA_EYLEM_PLANI_TASLAKLARI_HAZIRLANDI.aspx?sflang=tr.

²⁶⁴⁷ Drafted Watershed Conservation Action Plan, Directorate General of Water Management (Ankara) 20 June 2013. Date of Access: 24 June 2013.

Previously, Turkey has expressed its support for the goals of the COP 17 and has stated that it remained determined to do its part against climate change. On 8 December 2011, Turkey's Minister of Development Cevdet Yilmaz reiterated Turkey's recent actions to combat climate change and called for continued global cooperation against climate change.²⁶⁴⁸ Additionally, Mr. Yilmaz expressed Turkey's commitment to "make further efforts in order to control our greenhouse gas emissions without jeopardizing our economic and social development."²⁶⁴⁹ Mr. Yilmaz also spoke of Turkey's efforts to combat climate change without affecting its economic growth, and called for Turkey's status as a developing country to become further operationalized by being recognized as an Annex I state, albeit under special circumstances.²⁶⁵⁰

Thus, Turkey has been awarded a score of 0 for taking action to improve its capacity to adapt to the effects of climate change, and for participating in regional initiatives that facilitate regional capacity building and information exchange as per the decisions made at the COP 17.

Analyst: David Gelles

United Kingdom: +1

The United Kingdom has fully complied with its commitment to continue to fight climate change. The United Kingdom has expressed its support for the decisions of COP 17 and been actively working towards their implementation.

Under the UNFCCC, the United Kingdom is categorized as an Annex I/II member State.^{2651,2652} The United Kingdom ratified the Climate Change Convention on 12 June 1992 and ratified it on 15 October 1992.²⁶⁵³ The Convention entered into force on 21 March 1994.²⁶⁵⁴

[http://suyonetimi.ormansu.gov.tr/AnaSayfa/resimliHaber/13-06-](http://suyonetimi.ormansu.gov.tr/AnaSayfa/resimliHaber/13-06-20/HAVZA_KORUMA_EYLEM_PLANI_TASLAKLARI_HAZIRLANDI.aspx?sflang=tr)

[20/HAVZA_KORUMA_EYLEM_PLANI_TASLAKLARI_HAZIRLANDI.aspx?sflang=tr.](http://suyonetimi.ormansu.gov.tr/AnaSayfa/resimliHaber/13-06-20/HAVZA_KORUMA_EYLEM_PLANI_TASLAKLARI_HAZIRLANDI.aspx?sflang=tr)

²⁶⁴⁸ Statement by H.E., Mr. Cevdet Yilmaz, Minister of Development, Turkey, High-level Segment of COP 17 (Durban) 8 December 2011. Date of Access: 25 January 2013.

http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111208_cop17_hls_turkey.pdf

²⁶⁴⁹ Statement by H.E., Mr. Cevdet Yilmaz, Minister of Development, Turkey, High-level Segment of COP 17 (Durban) 8 December 2011. Date of Access: 25 January 2013.

http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111208_cop17_hls_turkey.pdf

²⁶⁵⁰ Statement by H.E., Mr. Cevdet Yilmaz, Minister of Development, Turkey, High-level Segment of COP 17 (Durban) 8 December 2011. Date of Access: 25 January 2013.

http://unfccc.int/files/meetings/durban_nov_2011/statements/application/pdf/111208_cop17_hls_turkey.pdf

²⁶⁵¹ List of Annex I Parties to the Convention, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

[http://unfccc.int/parties_and_observers/parties/annex_i/items/2774.php.](http://unfccc.int/parties_and_observers/parties/annex_i/items/2774.php)

²⁶⁵² Full Text of the Convention: Annex II, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

[http://unfccc.int/essential_background/convention/background/items/1348.php.](http://unfccc.int/essential_background/convention/background/items/1348.php)

²⁶⁵³ Parties & Observer States: United Kingdom, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

[http://maindb.unfccc.int/public/country.pl?country=GB.](http://maindb.unfccc.int/public/country.pl?country=GB)

²⁶⁵⁴ Parties & Observer States: United Kingdom, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 13 December 2012.

[http://maindb.unfccc.int/public/country.pl?country=GB.](http://maindb.unfccc.int/public/country.pl?country=GB)

In the past, the United Kingdom has expressed its support of the outcomes of the COP 17. On 12 December 2011, upon the conclusion of the COP 17, Chris Huhne, who was serving as a Secretary of State for Energy and Climate Change at the time, spoke of the outcomes of the Conference: “[The] Durban conference represents a significant step forward. [...]It was a clear success for international cooperation.”²⁶⁵⁵ Previously, on 8 December 2012, in the speech to the COP 17 plenary, Mr. Huhne described the United Kingdom as “a firm advocate of a global legally binding agreement within the UNFCCC”²⁶⁵⁶ and said, that “the UK’s commitment to tackling climate change is clear.”

On 1 July 2013, the Department for Environment, Food and Agricultural Affairs released the United Kingdom’s first National Adaptation Programme report (NAP).²⁶⁵⁷ The NAP report outlines actions being taken by the government, business, and society to prepare the country to the adverse consequences of climate change. A detailed economic analysis accompanies the NAP. The NAP was also accompanied by a statement from by the Department of Energy and Climate Change.²⁶⁵⁸

On 19 June 2013, the Department for Environment, Food and Agricultural Affairs announced the allocation of GBP8 million towards international environmental and conservation projects through the Department’s Darwin Initiative.²⁶⁵⁹

On 20 May, the Department of Energy and Climate Change released a document announcing the provision of GBP75 million to the Clean Technology Fund (CTF), which provides assistance with greenhouse gas emission reductions in countries with large mitigation potential.²⁶⁶⁰

In December 2012, Secretary of State for Energy and Climate Change Edward Davey and Minister of State for Energy and Climate Change Gregory Barker released a ministerial statement on agreements made during the Doha Climate Change Conference (COP 18). They stated that the

²⁶⁵⁵ Secretary of State The Rt Hon Chris Huhne MP’s Oral Statement on the outcomes of the Durban COP17 climate change conference, Department of Energy & Climate Change (London) 12 December 2011. Date of Access: 7 February 2013.

<https://www.gov.uk/government/speeches/secretary-of-state-the-rt-hon-chris-huhne-mps-oral-statement-on-the-outcomes-of-the-durban-cop17-climate-change-conference>.

²⁶⁵⁶ The Rt Hon Chris Huhne MP speech to the Durban COP17 Climate Conference Plenary, Department of Energy & Climate Change (London) 8 December 2011. Date of Access: 7 February 2013.

<https://www.gov.uk/government/speeches/the-rt-hon-chris-huhne-mp-speech-to-the-durban-cop17-climate-conference-plenary>.

²⁶⁵⁷ The National Adaptation Programme: Making the Country Resilient to a Changing Climate, Department of Environment, Food, and Rural Affairs (London) 1 July 2013. Date of Access: 22 July 2013.

<https://www.gov.uk/government/publications/adapting-to-climate-change-national-adaptation-programme>.

²⁶⁵⁸ Launch Statement for the National Adaptation Programme, Department of Energy and Climate Change (London) 2 July 2013. Date of Access: 22 July 2013.

<https://www.gov.uk/government/publications/launch-statement-for-the-national-adaptation-programme>.

²⁶⁵⁹ International conservation and environment projects receive £8 million, Department of Environment, Food, and Rural Affairs (London) 19 June 2013. Date of Access: 22 July 2013.

<https://www.gov.uk/government/news/international-conservation-and-environment-projects-receive-8-million>.

²⁶⁶⁰ International Climate Fund Business Case and Intervention Summary: Additional £75 million contribution to the Clean Technology Fund, Department of Energy and Climate Change (London) 20 May 2012. Date of Access: 22 July 2013.

<https://www.gov.uk/government/publications/international-climate-fund-business-case-and-intervention-summary-additional-75-million-contribution-to-the-clean-technology-fund>.

United Kingdom's objectives have largely been achieved in accordance with last year's Durban conference objectives "in agreeing to negotiate by 2015 a new global legally binding agreement to come into force from 2020, while focusing renewed efforts before 2020 on raising ambition in reducing greenhouse gas emissions."²⁶⁶¹ They concluded that, "[overall,] the Doha conference [represented] a useful step forward."²⁶⁶² Speaking upon his return from Doha, Secretary Davey noted that, "[the United Kingdom], as part of the EU, will be working very hard over the next year to ensure next year's talks yield even more progress and that we play our part in lowering global emissions."²⁶⁶³

On 25 January 2013, the government of the United Kingdom, together with the International Finance Corporation (IFC), the government of Canada, and the State Oil Fund of the Republic of Azerbaijan (SOFAZ) announced a first close of the IFC Catalyst Fund. Minister of State Gregory Barker said the Fund — designed to tackle climate change in Asia — has reached investment of USD281 million, of which the United Kingdom's investment amounted to USD80 million.²⁶⁶⁴

On 23 January 2013, the Department of Energy and Climate Change (DECC) announced a launch of the final event of the long-lasting research project, collaboratively developed by DECC and the Indian Ministry of Environment and Forests (MoEF).²⁶⁶⁵ The project was meant to assess potential socio-economic impacts of climate change on two Indian States, Orissa and Madhya Pradesh, and provide adaptation options.

On 13 January 2013, at the Abu Dhabi Sustainability Week (ADSW), the government of the United Kingdom met with the world's energy and finance leaders to discuss ways to encourage private sector investment in renewable energy projects as a way of mitigating climate change.²⁶⁶⁶ Energy and Climate Change Minister Greg Baker stated: "This joint dialogue between the private and public sectors is absolutely vital and the UK and the UAE are working together to drive this agenda forward."

²⁶⁶¹ Written Ministerial Statement by Edward Davey on the Doha Climate Change Conference, Department of Energy and Climate Change (London) 11 December 2012. Date of Access: 10 January 2013. http://www.decc.gov.uk/en/content/cms/news/wmsedd_doha/wmsedd_doha.aspx.

²⁶⁶² Written Ministerial Statement by Edward Davey on the Doha Climate Change Conference, Department of Energy and Climate Change (London) 11 December 2012. Date of Access: 10 January 2013. http://www.decc.gov.uk/en/content/cms/news/wmsedd_doha/wmsedd_doha.aspx.

²⁶⁶³ COP18: Statement from Energy and Climate Change Secretary, Department of Energy and Climate Change (London) 9 December 2012. Date of Access: 10 January 2013. http://www.decc.gov.uk/en/content/cms/news/pn2012_161/pn2012_161.aspx.

²⁶⁶⁴ UK announces private finance initiative to tackle climate change, Department of Energy & Climate Change (London) 25 January 2013. Date of Access: 7 February 2013. <https://www.gov.uk/government/news/uk-announces-private-finance-initiative-to-tackle-climate-change>.

²⁶⁶⁵ Launch of UK/India research collaboration on climate change impacts, Department of Energy & Climate Change (London) 23 January 2013. Date of Access: 7 February 2013. <https://www.gov.uk/government/news/launch-of-uk-india-research-collaboration-on-climate-change-impacts>.

²⁶⁶⁶ Energy leaders urge for greater investments in renewables and low-carbon, climate friendly projects, Department of Energy & Climate Change (London) 13 January 2013. Date of Access: 7 February 2013. <https://www.gov.uk/government/news/energy-leaders-urge-for-greater-investments-in-renewables-and-low-carbon-climate-friendly-projects>.

On 6 December 2012, at the COP 18 in Doha, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and DECC launched the NAMA Facility.²⁶⁶⁷ The NAMA Facility is a series of projects, policies, and programmes that provides support to developing countries in implementing Nationally Appropriate Mitigating Actions (NAMA), thus setting a country onto a low-carbon development trajectory.

Earlier in Doha, on 4 December 2012, Secretary of State Davey unveiled the United Kingdom's plans to fund two initiatives: renewable farming in Africa and sustainable farming in Colombia.²⁶⁶⁸

On 29 November 2012, Secretary of State Davey revealed an allocation of GBP15 million from the International Climate Fund towards developing silvo-pastoral systems for climate change mitigation and poverty alleviation in Colombia.²⁶⁶⁹

Furthermore, the United Kingdom has supported Decision 9/CP.17 by providing GBP30 million Fast Start finance to the United Nations Lead Developed Countries Fund (LDCF).²⁶⁷⁰

United Kingdom has also supported Decision 11/CP.17, having provided GBP192.5 million to the Global Environment Facility between 2010 — 2012, including GBP74.7 million in Fast Start finance to support sustainable development.²⁶⁷¹

The United Kingdom has remained actively engaged with the Workings Groups formed under the UNFCCC. Thus, in March-July 2013, the European Commission on behalf of the European Union and its member states — including the United Kingdom — made submissions to the COP and CMP^{2672,2673,2674,2675}, the ADP^{2676,2677,2678}, the Subsidiary Body for Implementation (SBI)²⁶⁷⁹, and the SBSTA²⁶⁸⁰. All submissions are in line with requests by various decisions of the COP 17.

²⁶⁶⁷ Germany and the United Kingdom launch “NAMA Facility” in Doha, Department of Energy & Climate Change (London) 6 December 2012. Date of Access: 7 February 2013.

<https://www.gov.uk/government/news/germany-and-the-united-kingdom-launch-nama-facility-in-doha>.

²⁶⁶⁸ UK announces new climate programmes in Africa, South America and other vulnerable countries through the International Climate Fund, Department of Energy & Climate Change (London) 4 December 2012. Date of Access: 7 February 2013.

<https://www.gov.uk/government/news/uk-announces-new-climate-programmes-in-africa-south-america-and-other-vulnerable-countries-through-the-international-climate-fund>.

²⁶⁶⁹ Written Ministerial Statement Publication of UK Government plans to tackle global deforestation, Department of Energy and Climate Change (London) 29 November 2012. Date of Access: 7 February 2013.

<https://www.gov.uk/government/news/written-ministerial-statement-publication-of-uk-government-plans-to-tackle-global-deforestation>.

²⁶⁷⁰ UK Fast Start Climate Change Finance, Department of Energy and Climate Change (London) November 2012. Date of Access: 10 January 2013.

<http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/international-climate-change/3758-uk-fast-start-climate-finance-brochure-2011.pdf>.

²⁶⁷¹ UK Fast Start Climate Change Finance, Department of Energy and Climate Change (London) November 2012. Date of Access: 6 February 2013.

<http://www.dfid.gov.uk/Documents/publications1/fast-start-climate-change.pdf>.

²⁶⁷² Submission by Ireland and the European Commission on behalf of the European Union and its Member States, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

The United Kingdom has been actively involved with the UNFCCC working groups, as directed by the COP 17 decisions, as well promoting the fight against climate change both domestically and abroad. Thus, the United Kingdom is awarded a score of +1.

Analysts: Joyce Arabian and Jordan Rivera

United States: +1

The United States has fully complied with its commitment to continue to fight climate change, supporting the decisions made at the COP 17 and taking a series of actions to implement these decisions.

²⁶⁷³ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ireland_eu_fifthreview_01032013.pdf.

²⁶⁷⁴ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 19 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ltf_eu_19032013.pdf.

²⁶⁷⁵ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 29 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_fs_eu_2013.pdf.

²⁶⁷⁶ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁶⁷⁷ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130301.pdf.

²⁶⁷⁸ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_2_20130527.pdf.

²⁶⁷⁹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 4 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ireland_eu.pdf.

²⁶⁸⁰ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 15 July 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_submission_review_guidelines.pdf.

Under the UNFCCC, the United States is categorized as an Annex I member State.²⁶⁸¹ The United States ratified the Climate Change Convention on 12 June 1992 and ratified it on 15 October 1992. The Convention entered into force on 21 March 1994.²⁶⁸²

On 27 July 2012, Government of the United States complied with draft decision 1/CP.17 in submitting the “options and ways for further increasing the level of ambition and possible further actions”²⁶⁸³ to the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), though several months after the deadline, which was set for February 2012.²⁶⁸⁴ In line with this draft decision, the United States also followed draft decision 2/CP.17 as per the Long-Term Cooperative Action Plan, tasking the national Environmental Protection Agency (EPA) to implement a series of decisions on combating climate change. The EPA is responsible for the development and implementation of numerous related COP 17 decisions.

Government of the United States has complied with many of the requests for information as put forth by many COP 17 draft decisions. For example, on 8 October 2012, the United States fully complied with draft decision 8/CP.17 in expressing its views to the Forum and Work Program on the Impact of the Implementation of Response Measures.²⁶⁸⁵ In November 2012, at the 43rd meeting, the United States followed draft decision 11/CP.17 in submitting its views to the council of the Global Environment Facility.²⁶⁸⁶ Also, on 16 November 2012, the United States government partially followed draft decision 7/CP.17 decision in expressing its views on the Work Programme on Loss and Damage, though it did not make any pledges for financial support for the least developed countries.²⁶⁸⁷

²⁶⁸¹ Parties & Observer States: United States, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=US>.

²⁶⁸² Parties & Observer States: United States, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.

<http://maindb.unfccc.int/public/country.pl?country=US>.

²⁶⁸³ Report of the Conference of the Parties on its Seventeenth Session, Held in Durban from 28 November to 11 December 2011, United Nations Framework Convention on Climate Change (Bonn) 15 March 2012. Date of Access: 19 December 2012.

<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=2>.

²⁶⁸⁴ Advancing the Work of the ADP: Submission of the United States, United Nations Framework Convention on Climate Change (Bonn) 27 July 2012. Date of Access: 19 December 2012.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_usa_27072012.pdf

²⁶⁸⁵ Forum and Work Program on the Impact of the Implementation of Response Measures: Submission of the United States of America, United Nations Framework Convention on Climate Change (Bonn) 8 October 2012. Date of Access: 21 December 2012.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/usa.pdf.

²⁶⁸⁶ United States Comments to the Council, Global Environment Facility (Washington) November 2012. Date of Access: 21 December 2012.

http://www.thegef.org/gef/sites/thegef.org/files/documents/US%20Council%20Comments_0.pdf.

²⁶⁸⁷ Work Programme on Loss and Damage: Submission of the United States of America, United Nations Framework Convention on Climate Change (Bonn) 16 November 2012. Date of Access: 20 December 2012.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/us.pdf.

On 13 August 2012, the United States followed draft decision 6/CP.17 in submitting a document expressing its views on the implementation of the Nairobi Work Programme.²⁶⁸⁸

Government of the United States has also adhered to some COP 17 decisions regarding funding. For example, as of December 2012, the United States followed draft decision 18/CP.17 in contributing to the Programme budget for the biennium 2012-2013.²⁶⁸⁹ Also, as of 15 June 2012, the United States demonstrated its intent to continue contributing financially to the Least Developed Countries Fund, as per draft decision 9/CP.17.²⁶⁹⁰

Furthermore, the United States has complied with the COP 17 request to assist with technology transfers and capacity-building to assist developing countries in their attempts to mitigate climate change. As of 14 June 2012, the United States expressed its intention to continue following draft decision 13/CP.17 in financially and technically supporting the least developed countries in a number of bilateral and multilateral initiatives as per Capacity-Building under the Convention.²⁶⁹¹

On 18 August 2012, the United States complied with draft decision 16/CP.17 in using the Research Dialogue on Developments in Research Activities Relevant to the Needs of the Convention to discuss climate change-related research findings as part of the meetings undertaken by the Subsidiary Body for Scientific and Technological Advice (SBSTA).²⁶⁹²

However, since December 2011, the United States has not followed draft decision 3/CP.17, for it has not contributed to the Green Climate Fund, citing objections over the design.²⁶⁹³ The United States also has not followed draft decision 5/CP.17 in developing an overarching National Adaptation Plan. It has, however, announced its intention that such a plan will soon be created.²⁶⁹⁴

Previously, the United States has spoken approvingly of the outcomes of the COP 17. On 8 December 2011, at the Durban Conference, United States Special Envoy for Climate Change Todd Stern stated that, “United States takes seriously the commitments first made by our Leaders

²⁶⁸⁸ Nairobi Work Programme: Submission of the United States, United Nations Framework Convention on Climate Change (Bonn) 13 August 2012. Date of Access: 20 December 2012.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/us_submission_-_a1_br_crf_-_aug_13_2012.pdf.

²⁶⁸⁹ Programme Budget for the Biennium 2012-2013, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 21 December 2012.

http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_budget.pdf.

²⁶⁹⁰ Least Developed Countries Fund, Global Environment Facility (Washington) 15 June 2012. Date of Access: 20 December 2012.

<http://www.thegef.org/gef/LDCF>.

²⁶⁹¹ Two-Country (Bilateral) Partnerships and Activities, Environmental Protection Agency (Washington) 14 June 2012. Date of Access: 21 December 2012.

<http://www.epa.gov/climatechange/EPAactivities/internationalpartnerships.html>.

²⁶⁹² Submission of the United States to the SBSTA, United Nations Framework Convention on Climate Change (Bonn) 18 August 2012. Date of Access: 21 December 2012.

http://unfccc.int/files/documentation/submissions_from_parties/application/pdf/us_submission_-_a1_br_crf_-_aug_13_2012.pdf.

²⁶⁹³ Factbox: The Green Climate Fund, Reuters (London) 1 December 2011. Date of Access: 20 December 2012.

<http://www.reuters.com/article/2011/12/01/us-climate-fund-idUSTRE7B02DN20111201>.

²⁶⁹⁴ Federal and EPA Adaptation Programs, Environmental Protection Agency (Washington) 21 June 2012. Date of Access: 20 December 2012.

<http://www.epa.gov/climatechange/impacts-adaptation/fed-programs.html>.

in Copenhagen and reaffirmed in Cancun. We are making progress toward our target of reducing emissions in the range of 17 [per cent] by 2020 through an array of domestic efforts, including robust new national fuel economy standards that will nearly double our automobile fleet efficiency by 2025 and the more than [USD]90 billion of investments that we have made in clean energy.”²⁶⁹⁵

In February 2013, the Environmental Protection Agency released its Draft Climate Change Adaptation Plan, which identifies the vulnerabilities of its programs to a changing climate and “how it can adapt to continue meeting its mission of protecting human health and the environment.”²⁶⁹⁶ This is in line with draft decision 5/CP.17, encouraging parties to develop a National Adaptation Plan.

On 11 March 2013, the United States made a submission to the ADP where offered its thoughts on the implementation of the elements of Decision 1/CP.17.²⁶⁹⁷

On 13 April 2013, the United States and China initiated a Climate Change Working Group in anticipation of the 2013 Strategic and Economic Dialogue (S&ED). This is in line with draft decision 2/CP.17, with the Working Group being responsible for examining the “ways in which they can advance cooperation on technology, research, conservation, and alternative and renewable energy.”²⁶⁹⁸

On 25 June 2013, the United States followed draft decision 5/CP.17 in developing an overarching National Adaptation Plan. President Obama’s Climate Action Plan directs federal agencies and industries to cut carbon pollution, launches an effort for better preparedness for climate change, and commits the United States government to the continued participation and leadership in international efforts.²⁶⁹⁹

On 7 July 2013, the United States pledged USD9.7 million to the government of Maldives with the larger portion of the money allocated for assistance with climate change adaptation. The action is in line with Decision 13/CP.17 that invites “able Parties to continue to provide financial resources to support capacity-building action in developing countries.”

²⁶⁹⁵ U.S. Statement at COP17, United States Department of State (Washington) 8 December 2011. Date of Access: 25 January 2013.

<http://www.state.gov/e/oes/rls/remarks/2011/178458.htm>.

²⁶⁹⁶ Climate Change Adaptation Plan: United States, United States Environmental Protection Agency (Washington) 29 June 2012. Date of Access: 1 April 2013.

<http://www.epa.gov/climatechange/pdfs/EPA-climate-change-adaptation-plan-final-for-public-comment-2-7-13.pdf>.

²⁶⁹⁷ ADP Workstream 1: 2015 Agreement, Submission of the United States, United Nations Framework Convention on Climate Change (Bonn) 11 March 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_usa_workstream_1_20130312.pdf.

²⁶⁹⁸ Joint U.S.-China Statement on Climate Change, United States Department of State (Washington) 13 April 2013. Date of Access: 13 April 2013.

<http://www.state.gov/r/pa/prs/ps/2013/04/207465.htm>.

²⁶⁹⁹ President Obama’s Climate Action Plan, The White House (Washington) 25 June 2013. Date of Access: 25 June 2013.

<http://www.whitehouse.gov/the-press-office/2013/06/25/fact-sheet-president-obama-s-climate-action-plan>.

The United States has repeatedly demonstrated its support of the decisions of the COP 17 through consistent and timely adherence to the aforesaid decisions. Thus, the United States is awarded a score of +1.

Analyst: Rui Li

European Union: +1

The European Union has fully complied with its commitment on climate change, declaring its intent to fully adhere to the decisions of the COP 17 and has begun taking actions on these decisions.

Under the UNFCCC, the European Union is categorized as an Annex I/II member State.²⁷⁰⁰ The European Union signed the Climate Change Convention on 13 June 1992 and ratified it on 21 December 1993. The Convention entered into force on 21 March 1994.²⁷⁰¹

In accordance with the decisions of the COP 17, the European Union has engaged in a series of measures to fight climate change, both domestically and internationally.

On 24 October 2012, the European Commissioner for Climate Action Connie Hedegaard stated, “the [European Union’s] economy grew 48 per cent since 1990, [carbon dioxide] emissions are down 18 per cent. These figures prove once again that emissions can be cut without sacrificing the economy.”²⁷⁰²

On 30 July 2012, the European Commission for the Environment proposed legislation that outlines the modalities for implementing the 2020 Kyoto emission targets of a 20 per cent reduction in greenhouse gas emissions.²⁷⁰³

On 20 July 2012, the European Commission approved EUR31 million in funding for climate projects in 12 European Union member states, with a total budget of EUR67.8 million: Belgium, Czech Republic, Denmark, France, Greece, Italy, Luxembourg, Poland, Slovakia, Spain, Sweden, and the United Kingdom. These include 202 projects concerning nature conservation, environment policy and governance, and information and communication on environmental issues.²⁷⁰⁴

On 7 November 2012, the European Commission proposed revisions to the region’s F-Gas Regulation to reduce emissions of fluorinated gases (F-gases). While all other greenhouse gases

²⁷⁰⁰ Parties & Observer States: European Union, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=EU>.

²⁷⁰¹ Parties & Observer States: European Union, United Nations Framework Convention on Climate Change (Bonn) December 2012. Date of Access: 23 January 2013.
<http://maindb.unfccc.int/public/country.pl?country=EU>.

²⁷⁰² Report shows EU remain on track towards Kyoto emissions target, European Commission Climate Action (Brussels) 24 October 2012. Date of Access: 5 January 2013.
http://ec.europa.eu/clima/news/articles/news_2012102401_en.htm

²⁷⁰³ Road transport: Reducing CO2 emissions from vehicles, European Commission Climate Change (Brussels) 30 July 2012. Date of Access: 5 January 2013.
http://ec.europa.eu/clima/policies/transport/vehicles/index_en.htm

²⁷⁰⁴ Commission Approved Over EUR31 Million Co Funding for Climate Projects, European Commission on Climate Change (Brussels) 20 July 2012. Date of Access: 5 January 2013.
http://ec.europa.eu/clima/news/articles/news_2012072001_en.htm

have been reduced since 1990, emissions of F-gases have risen by 60 per cent. The proposed revision aims to reduce F-gas emissions by two thirds of current levels by 2030. The revision also bans the use of F-gases in some new equipment where climate-friendly alternatives are available.²⁷⁰⁵

Furthermore, the European Union remains committed to aiding developing countries in the fight against climate change. On 28 November 2012, the European Commission announced it is on track to deliver EUR7.2 billion in fast start funding to developing countries to strengthen their resilience to climate change by next year. It is noted that the member states have mobilized EUR7.14 billion to date.²⁷⁰⁶ The European Union particularly supports the most vulnerable developing countries including the small island developing states, the least developed countries, and Africa in adapting to the consequences of climate change.²⁷⁰⁷

The European Union has been participating in the work of working groups of the UNFCCC. On 16 July 2012, Cyprus on behalf of the European Union and its 27 member States, in line with decision 1/CP.17, released a letter suggesting how to further advance the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).²⁷⁰⁸ Also, on 17 October 2012, Cyprus on the behalf of the European Union and its 27 member States made two additional similar submissions with suggestions on administrative and organizational matters of the work of the ADP.²⁷⁰⁹

Submissions have also been made on behalf of the European Union to the Nairobi Work Programme's Subsidiary Body for Scientific and Technological Advice (SBSTA)^{2710,2711,2712} (as

²⁷⁰⁵ Commission Proposes Significant Reduction in Emissions of Fluorinated Gases, European Commission on Climate Change (Brussels) 7 November 2012. Date of Access: 5 January 2013.

http://ec.europa.eu/clima/news/articles/news_2012110701_en.htm.

²⁷⁰⁶ Report Shows EU on Track to Deliver on Fast Start Finance Pledge, European Commission Climate Change (Brussels) 28 November 2012. Date of Access: 5 January 2013.

http://ec.europa.eu/clima/news/articles/news_2012112801_en.htm.

²⁷⁰⁷ International Climate Finance, European Commission Climate Change (Brussels) 23 November 2012. Date of Access: 5 January 2013.

http://ec.europa.eu/clima/policies/finance/international/index_en.htm.

²⁷⁰⁸ Letter to the Co-Chairs ADP, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 23 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_16072012.pdf.

²⁷⁰⁹ Response to Joint Message: Workstream on the 2015 Agreement, United Nations Framework Convention on Climate Change (Bonn) 17 October 2012. Date of Access: 23 January 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream1_17102012.pdf.

²⁷¹⁰ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/sb_european_union_and_its_member_states.pdf.

²⁷¹¹ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/adaptation/nairobi_work_programme/application/pdf/cy-09-07-nwp.pdf.

²⁷¹² Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 16 July 2012. Date of Access: 6 January 2013.

governed by decision 6/CP.17) and the Forum and Work Programme on the Impact of the Implementation of Response Measures²⁷¹³ (as directed by decision 8/CP.17).

The European Union has remained actively engaged with the Workings Groups formed under the UNFCCC. Thus, in March-July 2013, the European Commission on behalf of the European Union and its member states made submissions to the COP and CMP^{2714,2715,2716,2717} the ADP^{2718,2719,2720}, the Subsidiary Body for Implementation (SBI)²⁷²¹, and the SBSTA.²⁷²² All submissions are in line with requests by various decisions of the COP 17.

http://unfccc.int/files/methods_and_science/lulucf/application/pdf/20120716_submcyprus_eu_cy-07-16-lulucf.pdf.

²⁷¹³ Submission by Cyprus and the European Union Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 14 September 2012. Date of Access: 6 January 2013.

http://unfccc.int/files/cooperation_support/response_measures/application/pdf/european_union_and_its_member_states.pdf.

²⁷¹⁴ Submission by Ireland and the European Commission on behalf of the European Union and its Member States, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 21 July 2013.

http://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁷¹⁵ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ireland_eu_fifthreview_01032013.pdf.

²⁷¹⁶ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 19 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_ltf_eu_19032013.pdf.

²⁷¹⁷ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 29 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/cop_fsf_eu_2013.pdf.

²⁷¹⁸ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130527.pdf.

²⁷¹⁹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 1 March 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_1_20130301.pdf.

²⁷²⁰ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 27 May 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/adp/application/pdf/adp_eu_workstream_2_20130527.pdf.

²⁷²¹ Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 4 March 2013. Date of Access: 22 July 2013.

Previously, the European Union has spoken supportively on the outcomes of the COP 17. On 11 December 2011, European Commissioner for Climate Action Connie Hedegaard stated, that “with the agreement on a roadmap towards a new legal framework by 2015 that will involve all countries in combating climate change, the [European Union] has achieved its key goal for the Durban climate conference.”²⁷²³

Thus, the European Union has been awarded a score of +1 for taking steps to combat climate change domestically and abroad, in accordance with decisions made at the COP 17.

Analyst: Jelena Djuric

[https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ireland_\(eu\).pdf](https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/ireland_(eu).pdf).

²⁷²² Submission by Ireland and the European Commission on behalf of the European Union and its member states, United Nations Framework Convention on Climate Change (Bonn) 15 July 2013. Date of Access: 22 July 2013.

https://unfccc.int/files/documentation/submissions_from_parties/application/pdf/eu_submission_review_guidelines.pdf.

²⁷²³ Durban Conference Deliver Breakthrough for Climate, European Union External Action (Brussels) 11 December 2011. Date of Access: 27 January 2013.

http://www.eu-un.europa.eu/articles/en/article_11693_en.htm

11. Energy: Fossil Fuel Subsidies

Commitment [#96]

“We reaffirm our commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term while providing targeted support for the poorest.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada		0	
China			+1
France			+1
Germany		0	
India			+1
Indonesia		0	
Italy		0	
Japan		0	
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia		n/a	
South Africa			+1
Turkey		0	
United Kingdom			+1
United States		0	
European Union			+1
Average Score		+0.58	

Background

At the most recent Summit in Los Cabos, G20 Leaders reiterated their commitment to rationalize and phase-out, over the medium term, inefficient fossil fuel subsidies that encourage wasteful consumption.

At the Toronto Summit in 2010, Finance and Energy ministers completed a comprehensive review of fossil fuel subsidy programs for their respective countries in which they discussed the various ways to address social and economic impacts of possible reforms.²⁷²⁴ Among the members invited to submit progress reports in 2011, eleven members failed to report any fossil fuel subsidies. Other members however, reported continued progress and notable progress is being made with regards to implementation of strategies that will phase out fossil fuel

²⁷²⁴ Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Date of Access: 8 December 2012. www.g20.org/load/780979315

subsidies.²⁷²⁵ Because such statements are declarative and not supported by material evidence, this report will not consider them as credible sources. Thus, they will not be taken into account towards the setting of G20 members' scores.

G20 members continue their discussion of possible next steps in the second-half of 2012 and beyond. Firstly, the possibility to have a peer-review process whereby a member could invite another member to assess its fossil fuel subsidy reform progress. Secondly, improvement will be made in defining fossil fuel subsidies whilst finding a way to standardize reporting from G20 countries.²⁷²⁶ G20 Finance Ministers agreed at their February 15-16 2013 meeting to undertake a voluntary peer review process for fossil fuel subsidies and report outcomes to Leaders in St. Petersburg in 2013.

Commitment Features

This commitment requires G20 members to rationalize and phase-out, over the medium term, inefficient fossil fuel subsidies according to their own circumstances while providing support for the poorest. The Los Cabos communiqué requested a progress report to be presented at the next summit and asked members to “explore options for a voluntary peer review process for G20 members by the next meeting, while welcoming a dialogue on fossil fuel subsidies with other groups already engaged in this work.”²⁷²⁷ However, the Los Cabos communiqué did not specify a deadline or interim benchmarks, nor did the leaders provide specific guidance as to which subsidies should be included.²⁷²⁸

The compliance of each G20 member will be assessed with regards to its own implementation strategy and recent progress. Members that have declared not having inefficient fossil fuel subsidies cannot be evaluated on such efforts and will thus be subject to a different set of criteria. These members will therefore be evaluated on their efforts to provide support to national vulnerable groups that do not have access to subsidized fossil fuels.

Table 11-1 describes member-specific implementation strategies.²⁷²⁹

Table 11-2 provides the progress reports submitted by G20 members.²⁷³⁰

²⁷²⁵ Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Date of Access 8 December 2012. www.g20.org/load/780979315

²⁷²⁶ Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Date of Access 8 December 2012. www.g20.org/load/780979315

²⁷²⁷ G20 Leaders Declaration, Los Cabos, Mexico 19 June 2012. Date of Access 8 December 2012. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>

²⁷²⁸ The Shortcomings of the G20 Los Cabos Summit, G20 Research Group 27 June 2012. Date of Access 8 December 2012. <http://www.g20.utoronto.ca/analysis/120627-kirton-kulik-shortcomings.html>

²⁷²⁹ Annex: G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies. Date of Access 8 December 2012. www.g20.org/load/780976742

²⁷³⁰ Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Date of Access 8 December 2012. www.g20.org/load/780979315

Table 11-1 Member-Specific Implementation Strategies

G20 Member with Fossil Fuel Subsidies	Implementation Strategy
Canada	Proposes to implement recently released draft legislation to phase out the accelerated capital cost allowance for oil sands assets over the 2011-15 period. Previously phased out other tax preferences applying to fossil fuel producers.
Germany	Proposes to discontinue subsidized coal mining in a socially acceptable manner by the end of 2018.
Russia	Proposes to implement the commitment to rationalize and phase out inefficient fossil fuel subsidies through national economic and energy policy, within the framework of its Energy Strategy 2030 and the Concept of Long-Term Social and Economic Development, as well as in the context of its joining the WTO.
Argentina	Proposes to reduce household subsidy for propane gas consumption as natural gas access is expanded.
China	Proposes to gradually reduce the urban land use tax relief for fossil fuel producers
India	Proposes to work out implementation strategies and timetables for rationalizing and phasing out inefficient fossil fuel subsidies based on the recommendation of the Empowered Group of Ministers that has been constituted.
Indonesia	Proposes to phase out inefficient fossil fuel subsidies in a gradual manner in parallel through managing the demand side by adopting measures that will reduce fossil fuel energy consumption and by gradually narrowing the gap between domestic and international prices.
Italy	Proposes to continue with planned expiration of subsidy for certain cogeneration plants, and negotiate on a voluntary basis with private operators of these plants on the timing of their recess from the subsidy scheme.
Korea	Proposes to phase out subsidies to anthracite coal and briquette producers.
Mexico	By continuing current policies and based on current market conditions, subsidies to gasoline, diesel and LP gas are expected to disappear in the medium term.
Turkey	Proposes to work on a restructuring plan to rationalize the inefficient producer subsidies transferred to a state-owned hard coal producing enterprise.
United States	Proposes to pass legislation to eliminate twelve preferential tax provisions related to the production of coal, oil, and natural gas.

Table 11-2 Summary of Member-Specific Progress Reports Submitted in First-half 2012

Member	Summary of Progress Report
Argentina	Proposing a natural gas pipeline project, currently at tender process, that will in the future allow the country to begin reducing butane and LPG subsidies. Launched a plan in December 2011 to gradually reduce subsidies on natural gas and electricity consumption (not an inefficient fossil fuel subsidy, but a reform to energy markets).
Australia	As in 2011, Australia reported no measures that fall within scope of commitment.
Brazil	As in 2011, Brazil has not identified any inefficient subsidies related to either the production or consumption of fossil fuels. Expects to be able to substantially reduce energy aid to consumers in remote regions when that aid is obviated by expansion of national electricity grid to these remote areas.
Canada	Phasing out over 2011-2015 the accelerated capital cost allowance for investment in oil sands projects. As announced in Budget 2011, also reducing deduction rates for intangible capital expenses in oil sands projects to better align these with rates applicable in conventional oil and gas sector. Announced in Budget 2012 the phase-out of Atlantic Investment Tax Credit for investments in oil & gas and mining sectors.
China	As in 2011, China reports it does not have any inefficient fossil fuel subsidies that encourage wasteful consumption. However, China is pursuing a policy of adjusting the urban land use tax relief to fossil fuel producers as appropriate, gradually reducing the preferential tax treatment and phasing out the policy over medium and long term.
European Union	Council Decision 2010/787/EU stipulates the phase-out of subsidies for the production of coal from uncompetitive mines by end of 2018. Europe 2020 strategy, adopted in 2010, includes a call to Member States “to phase out environmentally harmful subsidies (EHS), limiting exceptions to people with social needs.”
France	France does not have subsidies that lower the price of fossil fuels below international market price levels. France taxes fossil fuels consumption by means of energy (excise) taxes, levied on the quantity of energy products once these are released for consumption. Such taxes help raise revenues, but also contribute to reducing fossil fuel consumption by raising the price of energy and energy-using goods and services. Thus support in a general way the goals of improving energy efficiency, fighting climate change and contributing to energy security. The level of taxation levied on gasoline is very high in France with respect to international standards.
Germany	German federal government, the state of North Rhine-Westphalia, Saarland, RAG AG and the Mining, Chemical and Energy Industrial Union (IG BCE) agreed to discontinue subsidized German coal mining in a socially acceptable manner by the end of 2018. After 2019, subsidized coal will no longer be produced in Germany. By end of 2012, another two hard coal mines will be closed and only three such mines will be left.
India	Government decided in June 2010 to make the prices of petrol and diesel market-determined, both at the refinery gate and the retail level. India will maintain subsidies on PDS kerosene and domestic LPG in order to keep such household fuels affordable, especially for the poor and vulnerable consumer.

Indonesia	Government has committed to continue rationalizing the domestic prices of both fuel and electricity. Has significantly reduced kerosene subsidies with its kerosene-to- LPG conversion program; will gradually continue the utilization of alternative energy and conversion program from fossil fuel to gas. Has committed to a framework to alleviate gradually all fuel subsidies through promoting greater use of Pertamina (market price-based fuel), improving distribution to the targeted subsidy recipient. As of June 2012, government vehicles are prohibited from using subsidized fuel; moreover, policy also applies to operational vehicles of mining and plantation companies.
Italy	Italy does not have subsidies that lower the price of fossil fuels below international market price levels. Nonetheless, Italy has abolished a scheme (CIP6) that targeted the development of renewable energy production capacity but inadvertently subsidized non-renewables at facilities where cogeneration capacity was based on fossil fuels. Government has achieved an accelerated phasing-out process for existing contracts with private operators of non-renewable plants.
Japan	As in 2011, Japan reports that it has no inefficient fossil fuel subsidies.
Korea	Completely phased out stable coal production subsidy in 2011 — twelve development projects are aimed at revitalizing economic activity in affected areas. Briquette production subsidy in place (helps low-income families afford traditional cooking fuel); hope to raise fixed price on briquettes in 2012 to reduce subsidy expenditure.
Mexico	State-controlled price-setting mechanism was modified such that gasoline, diesel, and LPG prices increase incrementally on a monthly basis at a constant rate, with the goal of gradually eliminating subsidies.
Russia	As in 2011, Russia has not identified any inefficient fossil fuel subsidies. A resolution was adopted that provides for the preparation of proposals on the transition from the state regulation of wholesale gas prices to the state regulation of tariffs for gas transportation services by 2015. Another program aims to decrease the energy intensity of Russia’s GDP by not less than 13.5% of 2007 levels (total decrease of energy intensity for the stated period should equal 40%).
Saudi Arabia	Saudi Arabia reported that it did not implement any inefficient fossil fuel subsidies.
South Africa	South Africa reports having no inefficient fossil fuel subsidy to phase out at this stage.
Spain	National plan for strategic coal reserve has reduced coal production in steps over the past six years. Public aid is being used to facilitate the gradual closure of uncompetitive coal mines through December 2018.
Turkey	Treasury and other related Ministries are working on a restructuring plan for state-owned hard coal mining company (TTK) so that the need for monetary transfers to TTK is minimized.
United Kingdom	UK reports that it has no inefficient fossil subsidies.
United States	As reported in 2011, U.S. Congress must pass legislation to eliminate twelve preferential tax provisions related to the production of coal, oil, and natural gas.

Because these summaries only briefly describe G20 members’ declared strategies and progress pertaining to the progressive phase-out of inefficient fossil fuel subsidies “as-is,” and are not supported by material evidence, they will not be used to establish members’ compliance scores. They are provided for informative purposes only.

Scoring Guidelines

Scoring Guidelines for members that have specified having no inefficient fossil fuel subsidies:

-1	Member does not provide any form of support that facilitates access to the subsidized fossil fuels, or provides support to non-vulnerable groups.
0	Member provides indiscriminate support to facilitate access to subsidized fossil fuels.
+1	Member provides targeted support to the national vulnerable groups who do not have access to the subsidized fossil fuels.

Scoring Guidelines for other members

-1	Member takes no action to phase-out inefficient fossil fuel subsidies or takes actions that go against the proposed implementation strategy AND doesn't provide support to the national vulnerable groups who do not have access to the subsidized fossil fuels.
0	Member takes actions to phase-out inefficient fossil fuel subsidies but doesn't provide support to the national vulnerable groups who do not have access to the subsidized fossil fuels OR member doesn't take actions to phase-out inefficient fossil fuel subsidies but provides support to the national vulnerable groups who do not have access to the subsidized fossil fuels.
+1	Member takes actions to phase-out inefficient fossil fuel subsidies AND provides support to the national vulnerable groups who do not have access to the subsidized fossil fuels.

Lead Analyst: Germán Cairo

Argentina: 0

Argentina has partially complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term, while providing targeted support to the nation's vulnerable groups.

On 23 November 2012, due to the lack of private investment and the surging demand for energy, the Argentine government announced that electricity tariffs for residential customers would rise from 0.4 per cent up to 72 per cent.²⁷³¹ Deputy Economy Minister Axel Kicillof was quoted saying "This isn't going to end up with the companies. It's going to appear on consumers' bills (and) it's going to constitute a fund for electricity and a fund for natural gas, which will be used solely to improve infrastructure in both sectors."²⁷³²

On 19 January 2013, Argentina experienced another blackout, which have become quite frequent within the nation due to the energy policies that boost electricity but hinder investment.²⁷³³

Argentina generates only 60 million kWh of electricity from clean resources, but have recently started to explore the industries of wind and solar and plans to incentivize them in the future.²⁷³⁴

²⁷³¹ Argentina raising energy tariffs to fund investment, Reuters 23 November 2012. Date of Access 28 January 2013. <http://www.reuters.com/article/2012/11/23/us-argentina-electricity-tariffs-idUSBRE8AM0NI20121123>

²⁷³² Argentina raising energy tariffs to fund investment, Reuters 23 November 2012. Date of Access 28 January 2013. <http://www.reuters.com/article/2012/11/23/us-argentina-electricity-tariffs-idUSBRE8AM0NI20121123>

²⁷³³ Energy in Argentina: Sparks in the dark, The Economist 19 June 2012. Date of Access 28 January 2013. <http://www.economist.com/news/americas/21569705-half-hearted-policy-retreat-sparks-dark>

Argentina has implemented tariffs with regards to inefficient fossil fuel subsidies but have not provided any support to the nation's vulnerable groups, thus it has received a score of 0.

Analysts: Fayruz El Assaad & German Cairo

Australia: +1

Australia has fully complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term while providing targeted support to the nation's vulnerable groups.

On 30 June 2012, the AUD500 million National Clean Coal Fund that was established in 2008 to support research, technology development, demonstration projects, and infrastructure in relation to clean coal, came to an end.²⁷³⁵

On 1 July 2012, Australia implemented a carbon price that is applied to certain emission sources in Australia such as the stationary energy sector and new large landfill waste facilities.²⁷³⁶ The tax will provide assistance to vulnerable households and industries, as well as supporting various development and research projects.²⁷³⁷ The government also implemented a new Mineral Resource Rent Tax (MRRT) that will apply a 30 per cent tax rate on all profits from iron-ore and coal projects.²⁷³⁸

As at 3 December 2012, Australia paid \$8.4 billion in subsidies, in comparison Germany and the U.K. paid \$6.6 billion each.²⁷³⁹ Although a substantial amount of money was given to very large energy corporations — Australia financed several vulnerable countries with \$204 million.²⁷⁴⁰ Although a small figure in comparison, Australia has the highest ratio of fossil fuel subsidies compared to climate finance.²⁷⁴¹

²⁷³⁴ 5 Countries on the naughty list for dirty energy, Care2 16 December 2012. Date of Access 23 January 2013 http://www.care2.com/causes/5-countries-on-the-naughty-list-for-dirty-energy.html#ixzz2HdMCnoSr%201http://www.worldenergyoutlook.org/media/weowebiste/energydevelopment/2012updates/Measuringprogressstowardsenergyforall_WEO2012.pdf

²⁷³⁵ Australia: Inventory of estimated budgetary support and tax expenditures for Fossil-Fuels 2013, Organisation for economic co-operation and development 1 January 2013. Date of Access 2 January 2013. <http://www.oecd.org/site/tadffss/AUS.pdf>

²⁷³⁶ Australia: Inventory of estimated budgetary support and tax expenditures for Fossil-Fuels 2013, Organisation for economic co-operation and development 1 January 2013. Date of Access 2 January 2013. <http://www.oecd.org/site/tadffss/AUS.pdf>

²⁷³⁷ Australia: Inventory of estimated budgetary support and tax expenditures for Fossil-Fuels 2013, Organisation for economic co-operation and development 1 January 2013. Date of Access 2 January 2013. <http://www.oecd.org/site/tadffss/AUS.pdf>

²⁷³⁸ Australia: Inventory of estimated budgetary support and tax expenditures for Fossil-Fuels 2013, Organisation for economic co-operation and development 1 January 2013. Date of Access 2 January 2013. <http://www.oecd.org/site/tadffss/AUS.pdf>

²⁷³⁹ Fossil-Fuel Subsidies of Rich Nations Five Times Climate Aid, Bloomberg 3 December 2012. Date of Access 2 January 2013. <http://www.bloomberg.com/news/2012-12-03/fossil-fuel-subsidies-of-rich-nations-are-five-times-climate-aid.html>

²⁷⁴⁰ Australia: Funding climate change with fossil fuels, The adopt a negotiator project 3 December 2012. Date of Access 3 January 2013. <http://adoptanegotiator.org/2012/12/04/australia-funding-climate-change-through-fossil-fuels/>

²⁷⁴¹ Australia: Funding climate change with fossil fuels, The Adopt a Negotiator Project 3 December 2012. Date of Access 3 January 2013. <http://adoptanegotiator.org/2012/12/04/australia-funding-climate-change-through-fossil-fuels/>

Australia has fully complied with its commitment with regards inefficient fossil fuel subsidies and has provided targeted support to the national vulnerable groups thus it has been awarded a score of +1.

Lead Analyst: Germán Cairo

Brazil: +1

Brazil has fully complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies while providing targeted support for the poorest.

On 25 September 2012, in a speech to the United Nations General Assembly President Dilma Rousseff reaffirmed Brazil's commitment to sustainable development and to the sustainable development goals outlined at the Rio+20 Conference held in June 2012.²⁷⁴² She stated, "the outcome document that we approved by consensus in Rio...sets the starting point for a sustainable development agenda for the 21st century, with a focus on the eradication of poverty, on the conscientious use of natural resources and on sustainable patterns of production and consumption."²⁷⁴³

Brazil has taken steps to provide energy to the most vulnerable groups in the country as well as to those living in remote areas. Since 2003, the Brazilian government has invest BRL20 billion in the Luz para todos (Light for All) program, with the goal of bringing access to electricity to more than ten million rural people.²⁷⁴⁴ Brazil has also announced the investment of BRL2-3 billion to ensure the reduction of energy bills.^{2745,2746}

In order to ensure sustainable development and the security of electricity supply while assuring the inclusion of the majority of the population, Brazil has undertaken several energy projects. This includes the investment of BRL22.5 billion to build the Belo Monte Hydroelectric Plant²⁷⁴⁷ and the planned construction of the Angra 3 nuclear power plant.²⁷⁴⁸ In addition, Brazil has

²⁷⁴² Address by President Dilma Rousseff at the United Nations General Assembly, UN News Centre (New York) 25 September 2012. Date of Access: 6 January 2013.

<http://www.un.org/apps/news/story.asp?NewsID=42992&Cr=general+debate&Cr1#.UOos4Y4RbzI>
Statement by Dilma Rousseff at 67th UN General Assembly, Voltaire Network (New York) 25 September 2012. Date of Access: 6 January 2013. <http://www.voltairenet.org/article175999.html>

²⁷⁴³ Statement by Dilma Rousseff at 67th UN General Assembly, Voltaire Network (New York) 25 September 2012. Date of Access: 6 January 2013. <http://www.voltairenet.org/article175999.html>

²⁷⁴⁴ Programa Luz para Todos, Ministry of Mines and Energy (Brazil). Date of Access: 6 January 2013. http://luzparatodos.mme.gov.br/luzparatodos/Asp/o_programa.asp

Brazil still has one million homes without electricity, Folha de S.Paulo (Brazil) 27 December 2012. Date of Access: 6 January 2013. <http://www1.folha.uol.com.br/internacional/en/finance/1206917-brazil-still-has-one-million-homes-without-electricity.shtml>

²⁷⁴⁵ About \$3 billion will be spent to ensure the reduction in energy bills in 2013, Brazil Portal, Federal Government of Brazil (Brazil) 19 December 2012. Date of Access: 6 January 2013. <http://www.brasil.gov.br/noticias/arquivos/2012/12/19/cerca-de-r-3-bilhoes-serao-gastos-para-garantir-a-reducao-na-conta-de-energia-em-2013/print>

²⁷⁴⁶ Electricity Concessions, Ministry of Mines and Energy (Brazil) 1 November 2012. Date of Access: 6 January 2013. <http://www.mme.gov.br/mme/menu/concessoes.html>

²⁷⁴⁷ BNDES approves R\$22.5 billion in funding for Belo Monte, Brazil Portal, Federal Government of Brazil (Brazil) 28 November 2012. Date of Access: 6 January 2013. http://www.brasil.gov.br/news/history/2012/11/28/bndes-approves-r-22.5-billion-in-funding-for-belo-monte/newsitem_view?set_language=en

²⁷⁴⁸ Angra 3, Brazil Portal, Federal Government of Brazil (Brazil). Date of Access: 6 January 2013.

allocated BRL16 billion in funding for the construction of 141 new wind energy projects, to be delivered between 2012 and 2013.²⁷⁴⁹

Thus, Brazil received a score of +1 because of its sustainable development initiatives and for providing support to vulnerable groups.

Analyst: Harry Malhi

Canada: 0

Canada has partially complied with its commitment to rationalize and phase-out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption while providing targeted support for the poorest.

Canada's Federal Budget 2012 included a provision for the phasing-out of the Atlantic Investment Tax Credit (AITC) in the mining and oil and gas sectors.²⁷⁵⁰

On 15 October 2012, Jim Flaherty tabled a motion in the House of Commons to implement the phasing-out of the Atlantic Investment Tax Credit (AITC) and the Corporate Mineral Exploration and Development Tax Credit, as well as "expanding the eligibility for the accelerated capital cost allowance for clean energy generation equipment to include a broader range of bio-energy equipment."²⁷⁵¹

On 18 October 2012, Bill C-45, which contains legislation on the implementation of the phase-out of the AITC, was tabled in the House of Commons.²⁷⁵² The Bill achieved Royal Assent on 14 December 2012.²⁷⁵³

On 21 April 2013, Canada signed the resolution of the Meeting of APEC Ministers Responsible for Trade recognizing the "role for APEC member economies to show leadership towards rationalizing and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption, fulfilling the commitment in reducing fossil fuel energy consumption as outlined in the 2011 Leaders' Declaration."²⁷⁵⁴

<http://www.brasil.gov.br/energia-en/works-and-projects/angra-3>

²⁷⁴⁹ Wind Power, Brazil Portal, Federal Government of Brazil (Brazil). Date of Access: 6 January 2013.

<http://www.brasil.gov.br/energia-en/energy-matrix/wind-power>

²⁷⁵⁰ Canada's Economic Action Plan 2012, Government of Canada 29 March 2012. Date of Access: 3 January 2013. <http://www.budget.gc.ca/2012/plan/pdf/Plan2012-eng.pdf>

²⁷⁵¹ Minister Flaherty Tables Notice of Ways and Means Motion to Implement Tax Provisions in Economic Action Plan 2012 and other Tax Measures, Department of Finance (Ottawa) 15 October 2012. Date of Access: 3 January 2013.

<http://www.fin.gc.ca/n12/12-124-eng.asp>

²⁷⁵² Bill C-45, Parliament of Canada (Ottawa) 18 October 2012. Date of Access: 3 January, 2013.

<http://parl.gc.ca/HousePublications/Publication.aspx?DocId=5765988&Language=E&Mode=1>

²⁷⁵³ House of Government Bill, Parliament of Canada (Ottawa) 14 December 2012. Date of Access: January 3, 2013.

<http://parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=5942521>

²⁷⁵⁴ 2013 Meeting of APEC Ministers Responsible for Trade, Foreign Affairs, Trade and Development Canada (Ottawa) 22 April 2013. Date of Access: 20 June 2013.

http://www.international.gc.ca/apec/apec_2013_statement_a.aspx?lang=eng

Canada has made progress in the commitment to rationalize and phase-out fossil fuel subsidies over the medium-term but has failed to make progress in the support for the vulnerable. Thus Canada has been awarded a score of 0.

Analyst: Caitlin Gillespie

China: +1

China has fully complied with its commitment to phase out inefficient fossil fuel subsidies and provide targeted support for vulnerable groups

On 10 September 2012, the National Development and Reform Commission (NDRC) announced that it would raise the cost of fuel by six per cent. This marks the fourth increase in fuel prices in 2012.²⁷⁵⁵

According to the information from Joint Report “The Scope of Fossil-Fuel Subsidies in 2009 and a Roadmap for Phasing out Fossil- Subsidies,” prepared by the International Energy Agency, the Organisation for Economic Co-Operation and Development, and the World Bank, increases in the price of fossil fuels can be treated as fulfillment of this commitment.²⁷⁵⁶

On 19 September 2012, China pledged to reduce energy per unit by 16 per cent of GDP of 2011 levels by 2015.²⁷⁵⁷

On 19 December 2012, Chinese Ministry of Finance statement announced that China would pledge 5.9 billion Yuan for wind power, 2 billion Yuan for biomass — energy power and an additional 700,000 Yuan to subsidies wind farms.²⁷⁵⁸

China has shown support for vulnerable groups by providing record subsidies for the fishing industry. Ministry of Agriculture documents suggest that CNY20 billion (US\$3.2 billion) will be used to subsidize fuel costs to the fishing industry.²⁷⁵⁹

China has fully complied with its commitment of phasing out inefficient fossil fuel subsidies and provides incentives to use clean energy. China therefore receives a score of +1 for its commitment to provided support for vulnerable groups.

Analyst: Luke Doherty

²⁷⁵⁵ NDRC raises fuel prices, China Daily 11 September 2012. Date of Access: 26 January 2013.

http://www.chinadaily.com.cn/bizchina/2012-09/11/content_15748829.htm

²⁷⁵⁶ The Scope of Fossil-Fuel Subsidies in 2009 and a Roadmap for Phasing out Fossil- Subsidies, IEA, OECD, World Bank Joint Report November 2010. Date of Access: 28 January 2013.

http://www.iea.org/weo/docs/second_joint_report.pdf

²⁷⁵⁷ China to introduce National Low-carbon Day, China Daily 19 September 2012. Date of Access: 26 January 2013

http://www.chinadaily.com.cn/china/2012-09/19/content_15769376.htm

²⁷⁵⁸ China to Pay \$1.4 Billion in Subsidies for Renewable Energy, Bloomberg 18 December 2012. Date of Access: 27 January 2013.

<http://www.bloomberg.com/news/2012-12-19/china-to-pay-1-4-billion-in-subsidies-for-renewable-energy.html>

²⁷⁵⁹ China’s fishing sector benefits from cash splurge, Seafood News Supply & Trade 30 November 2012. Date of Access: 30 January 2013. <http://www.seafoodsource.com/newsarticledetail.aspx?id=18695>

France: +1

France has complied with its commitment to rationalize and phase-out inefficient fossil fuel subsidies, with targeted support for the national vulnerable groups.

On 12 September 2012, the French cabinet proposes to cap the usage of crop-based biofuels at seven per cent, which is the current level, in response to the “increasing body of scientific evidence arguing that crop-based have a limited ability to reduce greenhouse gas emissions and do so at a high cost.”²⁷⁶⁰ In this perspective, France reacts to a study published in June 2012 by the Global Subsidies Initiative, which “concluded that governments ought to reform subsidy policies that promote the production and consumption of biofuels that compete with food crops or negatively impact the environment.”²⁷⁶¹ In addition, France commits “to mobilizing G-20 channels to ensure good policy coordination between large, producing countries on agricultural issues.”²⁷⁶²

On 6 December 2012, the Carbon Dioxide Information Analysis Center confirms that France has reached an all time low fossil fuel-related CO₂ emissions “to nearly 1.7 metric tons per French person.”²⁷⁶³

On 26 December 2012, Delphine Batho issued a report to extend social tariffs to aid recipients to pay a supplementary health insurance, known as ACS.²⁷⁶⁴ In addition, Batho issues a report to increase the current assistance provided by the Couverture Maladie Universelle Complémentaire (CMUC) by 35 per cent from EUR7 934 to EUR10,711 per year for a single individual.²⁷⁶⁵ Presently, 1.8 million people in France are entitled to benefit from the Couverture Maladie Universelle Complémentaire to afford basic electricity. Approximately 400,000 households (or 830,000 individuals) are currently benefiting from the ACS social assistance and, in combination with the Couverture Maladie Universelle Complémentaire, beneficiaries are entitled to an assistance of EUR200 per year to households who heat with gas and EUR90 per year to those

²⁷⁶⁰ France takes a U-turn on Biofuel Subsidies, International Institute for Sustainable Development (Geneva) 13 September 2012. Date Access 02 January 2012. <http://www.iisd.org/gsi/news/france-takes-u-turn-biofuel-subsidies>

²⁷⁶¹ France takes a U-turn on Biofuel Subsidies, International Institute for Sustainable Development (Geneva) 13 September 2012. Date Access 02 January 2012. <http://www.iisd.org/gsi/news/france-takes-u-turn-biofuel-subsidies>

²⁷⁶² France takes a U-turn on Biofuel Subsidies, International Institute for Sustainable Development (Geneva) 13 September 2012. Date Access 02 January 2012. <http://www.iisd.org/gsi/news/france-takes-u-turn-biofuel-subsidies>

²⁷⁶³ Trends, Carbon Dioxide Information Analysis Center, (Tennessee) 6 December 2012. Date Access 02 January 2012. http://cdiac.ornl.gov/trends/emis/tre_fra.html

²⁷⁶⁴ L'extension des tarifs sociaux l'électricité et du gaz entre en vigueur, Ministère de l'Écologie, du Développement durable et de l'Énergie, 26 December 2012. Date of Access: 02 January 2012. http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=30491

²⁷⁶⁵ L'extension des tarifs sociaux l'électricité et du gaz entre en vigueur, Ministère de l'Écologie, du Développement durable et de l'Énergie, 26 December 2012. Date of Access: 02 January 2012. http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=30491

who use other means of heating such as electricity.²⁷⁶⁶ The French government aims to increase the number of recipients of this aid to 8 million people, or 4 million households.²⁷⁶⁷

On 28 December 2012, the French government announces that the cost of gas prices of GDF-Suez for households will increase by 2.4 per cent by 1 January 2013 due to the increase in costs of transportation, distribution and storage and the liabilities left by the former Government.²⁷⁶⁸ Another factor contributing to the escalating price of gas prices is the consistent state of long-term contract negotiations between the GDF-Suez and key suppliers. Pierre Moscovici, Minister of Economy and Finance and Delphine Batho, Minister for Ecology, Sustainable Development and Energy remain concerned with the changes in gas prices and its impact on the purchasing power of citizens. Delphine Batho proposes to develop a Safeguard clause to fix the price of gas as to protect the purchasing power of consumers and also to put an end to repeated litigation. A decree is being prepared and it will be in consultation in the near future for the stakeholders.²⁷⁶⁹

By 11 June 2013, the decree created in December is recognized as being successfully implemented as it has extended the benefit of social tariffs for electricity and gas to 1.9 million households compared to only 600 000 households in 2012. Since 14 May, the extension of the benefit of social tariffs for electricity and gas became automatic for all persons receiving l'Aide pour un Complémentaire Santé (CRE) and 70 per cent of its target is reached so far. Nonetheless, the French government notes that 8 million French can benefit from social tariffs for electricity and gas and should be able to do so by next winter. To this end, the draft decree under the law of 15 April 2013 is ready and should be published by 15 July 2013.²⁷⁷⁰ The law of 15 April is created to prepare the transition to a low-energy system. Meanwhile the French government is requesting the Commission de Régulation de l'énergie (CRE) to strengthen its program on cost control.²⁷⁷¹

On 18 April 2013, Delphine Batho confirms the government's desire to keep regulated tariffs for gas and electricity for households. Batho also indicates these regulated tariffs will not prevent consumers from seeking competitive offering if they are cheaper.²⁷⁷²

²⁷⁶⁶ L'extension des tarifs sociaux l'électricité et du gaz entre en vigueur, Ministère de l'Écologie, du Développement durable et de l'Énergie, 26 December 2012. Date of Access: 02 January 2012.

http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=30491

²⁷⁶⁷ L'extension des tarifs sociaux l'électricité et du gaz entre en vigueur Ministère de l'Écologie, du Développement durable et de l'Énergie., 26 December 2012. Date of Access: 02 January 2012.

http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=30491

²⁷⁶⁸ Tarifs réglementés du gaz (Paris), Ministère de l'Écologie, du Développement durable et de l'Énergie, 28 December 2012. Date of Access: 02 January 2012.

http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=30507

²⁷⁶⁹ Tarifs réglementés du gaz (Paris), Ministère de l'Écologie, du Développement durable et de l'Énergie, 28 December 2012. Date of Access: 02 January 2012.

http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=30507

²⁷⁷⁰ Rapport de la Commission de Régulation de l'Énergie sur les coûts d'EDF, 5 June 2013. Date of Access: 23 June 2013. http://www.developpement-durable.gouv.fr/IMG/pdf/2013-06-05_-_Rapport_CRE_Couts_EDF.pdf

http://www.developpement-durable.gouv.fr/IMG/pdf/2013-06-05_-_Rapport_CRE_Couts_EDF.pdf

²⁷⁷¹ Rapport de la Commission de Régulation de l'Énergie sur les coûts d'EDF, 5 June 2013. Date of Access: 23 June 2013. http://www.developpement-durable.gouv.fr/IMG/pdf/2013-06-05_-_Rapport_CRE_Couts_EDF.pdf

http://www.developpement-durable.gouv.fr/IMG/pdf/2013-06-05_-_Rapport_CRE_Couts_EDF.pdf

²⁷⁷² Le gouvernement entend conserver les tarifs réglementés pour les ménages, 15 May 2013. Date of Access: 20 June 2013. http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=32382

On 15 May 2013, Cécil Dufolt and Delphine Bathos par-took in the first steering committee created for the implementation of terms to renovate energy efficient housing. The ministers reaffirm the government's plan to renovate 500,000 housing units per year until 2017 in order to achieve a 38 per cent reduction of energy consumption by 2020.²⁷⁷³

On 17 May 2013, the decree with reforms to the regulated tariffs on gas is officially published. Pierre Moscovici, minister of finance and economics, and Delphine Batho, minister of ecology and development of sustainable energy, announce the reforms as incorporating four main objectives. First, there will be an annual audit for the costs of supply and non-supply of suppliers by the commission of energy regulation. This audit will take place every year on the 15 May and its findings will be available to the public. Second, on 1 July each year the ministry of economy and energy will fix energy prices through a new formula. The commission responsible for regulating energy will also be consulted. Third, the frequency of rates based on the formula will apply monthly. Forth, there is a safeguard clause in case there is an exceptional rise in price resulting from the formula, the Prime Minister may step in, after consulting with the commission of energy regulation, and regulate the price appropriately.²⁷⁷⁴

On 20 June 2013, the French government announces the implementation of a second phase in a plan created to assist in the training 11,000 people, consisting of craftsman and professionals working for construction companies focused on energy saving methods. Accordingly, there is now a sustainable development tax credit for professionals who are certified with "Reconnu Grenelle de l'Environnement" (RGE). By 1 July 2014, this acquirement of the certification will be mandatory as it demonstrate the knowledge and competence of qualified professional in line with energy saving methods. Today 7,500 companies benefit from the quality of RGE and the government would like this figure to escalate to 30,000 in an effort to have more professionals contributing to the creating of the 500,000 household renovations that are to take place each year.²⁷⁷⁵

France has taken actions to help the poorest to cope with the increased costs that result from elimination of fossil fuel subsidies, and undertaken efforts to enhance energy efficiency. Thus, France has been awarded a score of +1 for its commitment to provide targeted support for the national vulnerable groups.

Analyst: Atena Sadegh

Germany: 0

Germany has partially complied with its commitment to rationalize and phase-out inefficient fossil fuel subsidies while providing support for the poorest.

On 16 July 2012, Federal Chancellor Angela Merkel made a speech on climate change. Stressing the finiteness of fossil fuels and dependency of some countries on fossil fuels, she stated "If we in

²⁷⁷³ Mise en œuvre de plan de rénovation énergétique de l'habitat : Cécile Duflot et Delphine Batho président le premier comité de pilotage, 15 May 2013, Date of Access: 20 June 2013 http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=32623

²⁷⁷⁴ Tarifs réglementés du gaz : une réforme majeure au service des consommateurs, 17 May 2013. Date of Access: 20 June 2013. http://www.developpement-durable.gouv.fr/IMG/pdf/2013-0517_DP_tarifs_reglementes_gaz.pdf

²⁷⁷⁵ Plan de rénovation énergétique de l'habitat : le Gouvernement annonce l'éco-conditionnalité des aides publiques. 20 June 2013. Date of Access: 25 June 2013 http://www.developpement-durable.gouv.fr/spip.php?page=article&id_article=33124

Germany manage — and I’m convinced we can — to shift from fossil fuels and nuclear energy supplies first by phasing out nuclear energy and then by reducing the proportion of fossil fuels in the coming decades by moving towards renewable energies, then we will make a contribution insofar as other countries can learn and benefit from these experiences.[...]In Germany we want to channel all the revenue from the auctioning of emission allowances into an energy and climate fund. The allowance prices are currently not as high as we expected. We had earmarked the revenue for international and national projects. But we’ll keep working on this. We were also one of the first countries to pledge a financial contribution to the Green Climate Fund.[...]’²⁷⁷⁶

On 7 December 2012, Andreas Kraemer, director of the Ecologic Institute in Germany, made a statement that Germany will cease mining hard coal in 2017.²⁷⁷⁷ It is expected that by 2050, only 20 per cent of the country’s energy will consist of energy from non-renewable resources.

Since the Los Cabos Summit, Germany have also expanded their Energy Transition plan, called Energiewende, such that they plan to replace carbon emissions with renewable energy.²⁷⁷⁸

Despite the plans towards discontinuing coal mines and displacing energy from non-renewable resources, no progress towards providing support for the vulnerable was observed. Therefore, Germany has been awarded a score of 0.

Analyst: Jihae Jang

India: +1

India has fully complied with its commitment to phase out inefficient fossil fuel subsidies and provide support to the national vulnerable groups.

On 16 December 2012, Indian Prime Minister Manmohan Singh mentioned his intention to cut down oil subsidies, noting that “unsustainable” growth in oil subsidies is more than government spending on health and education.²⁷⁷⁹ The 2012-2013 national budget also indicated a decrease in subsidies for petroleum compared to 2011-2012.²⁷⁸⁰ Furthermore, on 27 December 2012 Prime Minister Singh further noted that petroleum products, coal, and power are underpriced due to subsidies and announced his intention for a “phased” hike in the prices of these goods.²⁷⁸¹

²⁷⁷⁶ Speech by Federal Chancellor Angela Merkel at the Petersberg Climate Dialogue III, the German Federal Government (Berlin) 16 Jul 2012, Date of Access: 3 January 2013.

http://www.bundesregierung.de/Content/EN/Reden/2012/2012-07-19-rede-bkin-petersberger-klimadialog_en.html?nn=447030

²⁷⁷⁷ Germany plans to phase out coal, Wyofile News, 7 December 2012, Date of Access: 3 January 2013.

<http://wyofile.com/2012/12/18592/>

²⁷⁷⁸ Germany’s energy transformation-Energiewende, The Economist (BERLIN AND NIEBÜLL) 28 July 2012, Date of Access: 3 January 2013.

<http://www.economist.com/node/21559667>

²⁷⁷⁹ We will alter policies to accelerate growth: PM, The Financial Express 16 December 2012. Date of Access 3 January 2013. <http://www.financialexpress.com/news/we-will-alter-policies-to-accelerate-growth-pm/1045814/0>.

²⁷⁸⁰ Cut in Subsidies on Certain Items, Press Information Bureau: Government of India 23 November 2012. Date of Access: 3 January 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=89337>

²⁷⁸¹ More petrol, power, LPG price hikes coming soon, says PM at National Development Council to boost 12th Five Year Plan, The Financial Express 27 December 2012. Date of Access 3 January 2013.

<http://www.financialexpress.com/news/pm-for-gradual-hike-in-energy-prices-cut-in-subsidy/1050927>

In addition, the 12th Five Year Plan (2012-2017) indicated that the phasing out of subsidies on domestic LPG and PDS kerosene is one of the critical reforms required on the oil and gas sector²⁷⁸² and suggests “consideration should be given to converting the subsidised supply to an equivalent cash transfer targeted to those who need it.”²⁷⁸³

The government has also initiated several programs in order to support vulnerable groups in accessing subsidized fossil fuels. In drought-affected areas, a scheme to “offset the cost of diesel used for pumping water” has been introduced for farmers.²⁷⁸⁴ The government will also increase the cap of subsidized LPG cylinders from six to nine per households a year according to Oil Minister Marpadi Veerappa Moily.²⁷⁸⁵

The government announced on 26 June 2013 that INR41 Crore has been transferred to LPG consumers in 18 districts following the Direct Benefit Transfer for LPG (DBTL) scheme launched on 1 June 2013.²⁷⁸⁶ Eligible consumers under the scheme will pay for LPG cylinders at market price and receive a cash subsidy up to a maximum of 9 cylinders.²⁷⁸⁷ Primary goals of the scheme are to “curb leakages and prevent black-marketing and provide subsidy to consumers in their bank accounts.”²⁷⁸⁸ Separately however, a “record” INR100000 Crore will be allocated in fuel subsidy for 2012-2013, an increase from INR83500 Crore for 2011-2012.²⁷⁸⁹

India has shown that actions are undertaken to phase out inefficient fossil fuel subsidies while providing support to vulnerable groups and therefore has been awarded a score of +1.

Analyst: Andre Sinaga

Indonesia: 0

Indonesia has partially complied with its commitment to rationalize inefficient fossil fuel subsidies that encourage wasteful consumption and aid the nation’s vulnerable groups.

²⁷⁸² DRAFT Twelfth Five Year Plan 2012-17, Volume 2, Page 182, Planning Commission Government of India. Date of Access: 3 January 2013.

http://planningcommission.gov.in/plans/planrel/12thplan/pdf/vol_2.pdf

²⁷⁸³ DRAFT Twelfth Five Year Plan 2012-17, Volume 2, Page 182, Planning Commission Government of India. Date of Access: 3 January 2013.

http://planningcommission.gov.in/plans/planrel/12thplan/pdf/vol_2.pdf

²⁷⁸⁴ Diesel, seed Subsidy to Compensate Farmers for Additional Expenditure Due to Drought. Press Information Bureau: Government of India 31 August 2012. Date of Access: 3 January 2013.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=87119>

²⁷⁸⁵ Households likely to get 9 subsidized LPG cylinders a year, The Times of India 11 December 2012.

Date of Access 3 January 2013. http://articles.timesofindia.indiatimes.com/2012-12-11/india/35748469_1_subsidized-lpg-cylinders-cap

http://articles.timesofindia.indiatimes.com/2012-12-11/india/35748469_1_subsidized-lpg-cylinders-cap

²⁷⁸⁶ Direct Benefit Transfer for LPG (DBTL) Scheme hits a MILLION TRANSACTIONS!, Press Information Bureau: Government of India 26 June 2013. Date of Access: 27 June 2013.

<http://pib.nic.in/newsite/erelease.aspx?relid=96782>

²⁷⁸⁷ What is DBTL, Ministry of Petroleum and Natural Gas: Government of India. Date of Access: 27 June 2013. <http://petroleum.nic.in/dbtl/whatis.pdf>

²⁷⁸⁸ Petroleum Minister announces launch of Direct Benefit Transfer for LPG scheme in 20 Districts, Press Information Bureau: Government of India 15 May 2013. Date of Access: 27 June 2013.

<http://www.pib.nic.in/newsite/erelease.aspx?relid=96010>

²⁷⁸⁹ FM pegs fuel subsidy for current fiscal at Rs 20,000 cr, The Financial Express 23 May 2013. Date of Access: 27 June 2013. <http://www.financialexpress.com/news/fm-pegs-fuel-subsidy-for-current-fiscal-at-rs-20000-cr/1119644>

On 19 September 2012, Deputy Energy and Mineral Resources Minister Rudi Rubiandini offered insight into future subsidy reform in Indonesia stating, “It’s not yet decided, but we are preparing to increase our fuel pricing.” The fuel increase would raise the cost of subsidized fuel from Rp1,500 (US16 Cents) to Rp6,000.²⁷⁹⁰

On 21 November 2012, Indonesia sent high-level policy makers to discuss “Fossil-Fuel Subsidy Reform: Challenges and Opportunities” with the goal of meeting Indonesia’s growing energy needs while reducing inefficient subsidies.²⁷⁹¹

The Minister further suggested that a price increase would save the government Rp60 trillion (US6.45 Billion) which would be used to finance schools, infrastructure, and healthcare.²⁷⁹²

On 27 December 2012, the government announced plans to cut subsidised fuel to for sea-vessels in 2013.²⁷⁹³ The government also plans to cut fuel subsidies to transport vehicles used in the plantation industry by March 2013.

On 18 January 2013, Indonesia set a quota subsidy of 46 million kilolitres of subsidized fuel for 2013 costing Rp193.8 trillion (US20.84 billion). This is an increase from the 2012 quota of 40 million kilolitres.²⁷⁹⁴

Though the 2012 quota was set at 40 million kilolitres, the Indonesia government actually increased the quota to 45 million kilolitres to meet rising demand.

On 22 January 2013, Finance Minister Agus Martowardojo said there were currently no plans to raise the subsidized fuel prices.²⁷⁹⁵

As the government has been forced to look at reducing fuel subsidies for financial reasons they have also considered applying the additional funds to the nation’s vulnerable groups. However, because only future plans have been made to cut inefficient fossil fuel subsidies Indonesia receives a score of 0 for its work in progress on fossil fuel subsidy phase-out.

Analyst: Luke Doherty

Italy: 0

Italy has partially complied with its commitment to rationalize and phase-out inefficient fossil fuel subsidies while providing support for the poorest.

²⁷⁹⁰ Indonesia Considers Raising Subsidized-Fuel Price Next Year, Bloomberg, 19 September 2012. Date of Access: 22 January 2013

<http://www.bloomberg.com/news/2012-09-19/indonesia-considers-raising-subsidized-fuel-price-next-year-1-.html>

²⁷⁹¹ Training Workshop on Fossil-Fuel Subsidies in Indonesia, IISD, 19 October 2012. Date of Access: January 21 2013 <http://www.iisd.org/gsi/news/training-workshop-fossil-fuel-subsidies-indonesia>

²⁷⁹² Indonesia Energy Subsidy Update: January 2013, IISD, 18 January 2013. Date of Access: January 24 2013 <http://www.iisd.org/gsi/news/indonesia-energy-subsidy-update-january-2013>

²⁷⁹³ Rules Restrict Subsidized Fuel January 1, Tempo, 28 December 2012. Date of Access: January 24 2013 <http://www.tempo.co/read/news/2012/12/28/090450781/Aturan-Pembatasan-BBM-Bersubsidi-1-Januari>

²⁷⁹⁴ Indonesia Energy Subsidy Update: January 2013, IISD, 18 January 2013. Date of Access: January 24 2013 <http://www.iisd.org/gsi/news/indonesia-energy-subsidy-update-january-2013>

²⁷⁹⁵ No Signs to Raise Subsidized Fuel Price, Jakarta Globe, 23 January 2013. Date of Access: 25 January 2013 <http://www.thejakartaglobe.com/economy/no-signs-to-raise-subsidized-fuel-price/567207>

In October 2012, the government of Italy began a consultation on its new national energy strategy, which aims to modernize the energy sector by eliminating the country's feed-in tariff plan and by encouraging the path to renewable resources.²⁷⁹⁶ The strategy, which will be in effect until 2020, is intended to ensure a prosperous energy sector for Italy, and to decrease the burden on household budgets through investment in the energy sector.²⁷⁹⁷

On 27 July 2012, Guido Bortone, president of Italy's Authority for Electricity and Gas (AEEG) proposed to the government that it use a portion of the Robin Hood Tax (which applies to certain companies operating within the energy sector) in order to lower the Value Added Tax on energy bills which in fact reduce costs for families.²⁷⁹⁸

On 10 December 2012, Italian Regulatory Authority for Electricity and Gas (AEEG) met with the French Regulatory Commission of Energy to discuss "the implementation of support schemes and measures (i.e. bonus) in favour of disadvantaged customers."²⁷⁹⁹

Thus Italy has been awarded partial compliance with regards to the reduction of fossil fuel subsidies as it has shown steps in increasing access to energy supplies for the disadvantaged, but has shown little to no progress in the reduction of fossil fuel subsidies.

Analyst: Caitlin Gillespie

Japan: 0

Japan has partially complied with its commitment on fossil fuel subsidies and the support for vulnerable groups.

At the G20 Los Cabos summit in June 2012, Japan provided no information of its fossil fuel subsidies. Japan claims that it has no inefficient fossil fuels as oil prices are deregulated²⁸⁰⁰ and that it had previously phased out coal subsidies in the early 2000s.²⁸⁰¹

The OECD report "Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013" shows that Japan issues petroleum and coal tax on all oil, natural gas, and coal

²⁷⁹⁶ Italy Launches Consultation on New Energy Strategy, Government of Italy (Rome) 26 October 2012. Date of Access: 4 January 2013.

http://www.governo.it/GovernoInforma/eng/documents/Italy_launches_consultation_newenergy_strategy.pdf

²⁷⁹⁷ Italy Launches Consultation on New Energy Strategy, Government of Italy (Rome) 26 October 2012. Date of Access: 4 January 2013.

http://www.governo.it/GovernoInforma/eng/documents/Italy_launches_consultation_newenergy_strategy.pdf

²⁷⁹⁸ Annual Report on the State of Services and Regulatory Activities, The Italian Regulatory Authority for Electricity and Gas (Rome) 27 June 2012. Date of Access: 4 January 2013.

http://www.autorita.energia.it/allegati/relaz_ann/12/Annau%20Report%202012.pdf

²⁷⁹⁹ Meetings, L'Autorità per l'Energia Elettrica e il Gas (Milan). Date of Access: 4 January 2013.

<http://www.autorita.energia.it/inglese/riunioni.htm>

²⁸⁰⁰ Japan: Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels, OECD, October 2010. Date of Access: 26 January 2013

<http://www.oecd.org/dataoecd/55/50/48786349.pdf>

²⁸⁰¹ OECD Environmental Performance Reviews: Japan 2010, OECD. Date of Access: 27 January 2013

http://www.oecd.org/document/24/0,3746,en_2649_34307_46265112_1_1_1_1,00.html

products. Furthermore, the report indicated that the tax revenue received is used to support road construction and maintenance.²⁸⁰²

Japan has shown some support for vulnerable groups as it has provided exemptions on fossil fuel tax for agriculture, forestry, fishing and mining industries.²⁸⁰³

Japan claimed to have no inefficient fossil fuel subsidies. As limited facts of government support towards vulnerable groups have been released during the monitoring cycle Japan receives a score of 0 for partial compliance.

Analyst: Luke Doherty

Korea: +1

Korea has fully complied with its commitment to phase out subsidies to anthracite coal and briquette producers while providing support to national vulnerable groups.

On 14 September 2012, the Ministry of Knowledge Economy released a notice indicating that the government has set the subsidy for briquette producers at 273.75 Won per 3.6 kilogram of briquette.²⁸⁰⁴ This is in comparison to the subsidy of 373.5 Won in 2011.²⁸⁰⁵ The subsidy is aimed at helping low-income families afford traditional cooking fuel.²⁸⁰⁶ Thus, the amount of subsidy received by coal and briquette producers has been decreasing over recent years.

The small number of subsidized briquette producers and their low profitability however has meant that the supply of briquette has remained “tight,” causing an increase in the price of briquette over the 2012 winter period.²⁸⁰⁷ This negatively affects low-income households, as briquette is the primary source of heating fuel.²⁸⁰⁸ Korea’s state-run electricity supplier also increased electricity prices in August 2012.²⁸⁰⁹

Ultimately, Korea has shown that it is phasing out subsidies to anthracite coal and briquette producers while providing support to vulnerable national groups such as low-income families. Thus Korea has been given a score of +1.

²⁸⁰² Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013, OECD, January 2013. Date of Access: 29 January 2013

http://www.oecd-ilibrary.org/environment/inventory-of-estimated-budgetary-support-and-tax-expenditures-for-fossil-fuels-2013_9789264187610-en

²⁸⁰³ Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013, OECD, January 2013. Date of Access: 29 January 2013

http://www.oecd-ilibrary.org/environment/inventory-of-estimated-budgetary-support-and-tax-expenditures-for-fossil-fuels-2013_9789264187610-en

²⁸⁰⁴ 무연탄 및 연탄의 최고판매가격 지정에 관한 고시, Ministry of Knowledge Economy 14 September 2012. Date of Access: 5 January 2013. http://www.mke.go.kr/mke/brd1_view.jsp?pCtx=1&seq=60833.

²⁸⁰⁵ 올해 연탄가격 동결, Chosun 4 October 2011. Date of Access: 5 January 2013.

http://biz.chosun.com/site/data/html_dir/2011/10/04/2011100400690.html

²⁸⁰⁶ Annex: G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies. Date of Access: 5 January 2013. www.g20.org/load/780976742

²⁸⁰⁷ Demand soaring for coal briquettes, The Korea Times December 19 2012. Date of Access: 5 January 2013. http://koreatimes.co.kr/www/news/biz/2012/12/602_127257.html

²⁸⁰⁸ Demand soaring for coal briquettes, The Korea Times December 19 2012. Date of Access: 5 January 2013. http://koreatimes.co.kr/www/news/biz/2012/12/602_127257.html

²⁸⁰⁹ KEPCO to raise utility bills by 4.9%, The Korea Times 3 August 2012. Date of Access: 5 January 2013. http://koreatimes.co.kr/www/news/biz/2012/08/602_116580.html

Mexico: +1

Mexico has fully complied with its commitment to phase-out fossil fuel subsidies in the medium term with targeted support to assist the nations most vulnerable groups.

On 6 September 2012, the United Nations awarded the 2012 World Habitat Award to the Mexican Federal Housing Fund for its Infonavit's Green Mortgage program which provides low-income households with energy-saving technology to enable them to save energy and money. The Infonavit's Green Mortgage program is recognized to formalize "900,000 credits benefiting more than 3,000,000 people, mainly through savings on water and energy bills."²⁸¹⁰ The Infonavit Green Mortgage is "complemented with other initiatives focused on promoting green housing such as tax incentives offered by Mexico City's government for the use of eco-technologies."²⁸¹¹

On 16 September 2012, President Enrique Peña Nieto does not mention the importance of investing in renewable energy during a speech addressing the national energy sector and he focuses predominantly on Pemex and the oil and gas sector.²⁸¹²

On 26 September 2012, the Carbon Dioxide Information Analysis Center reports that the consumption of natural gas in Mexico account for 23.6 per cent of fossil fuel CO₂ emissions.²⁸¹³ The per capita emission of CO₂ resulting from fossil fuel usage in Mexico is less than the global average.²⁸¹⁴ Despite taking initiatives to reduce fossil fuel subsidies it is reported, "every year the Mexican government spends nearly USD30 billion on energy subsidies- mainly fossil fuels- that could instead be allocated to the research and development of renewable energy and green technology industries."²⁸¹⁵

On 8 November 2012, the president announces that in the first half of 2013 he will put forward a bill to amend the Mexican Constitution to allow private investment to break the current state monopoly of Pemex.²⁸¹⁶

On 1 May 2013, the Mexican government implements the Large-scale Renewable Energy Development Project (PERGE) which had been promulgate in November of 2008. This project essentially "aims to develop initial experience in commercial grid-connected renewable energy applications by supporting the construction of 101 MW Independent Power Producing wind farm, while building institutional capacity to value, acquire, and manage such resources on a replicable

²⁸¹⁰ Mexican Green Mortgages (Mexico City) 11 October 2012. Date of Access: 03 January 2012. <http://www.ukti.gov.uk/export/countries/americas/northamerica/mexico/premiumcontent/387940.html>

²⁸¹¹ Mexican Green Mortgages (Mexico City) 11 October 2012. Date of Access: 03 January 2012. <http://www.ukti.gov.uk/export/countries/americas/northamerica/mexico/premiumcontent/387940.html>

²⁸¹² Working towards the elimination of government subsidies for fossil fuels, 5 October 2012. Date of Access: 01 January 2012. <http://www.renewableenergymexico.com/?tag=fossil-fuels-subsidies-mexico>

²⁸¹³ Trends, Carbon Dioxide Information Analysis Center (Tennessee) 26 September 2012. Date Access: 04 January 2012. http://cdiac.ornl.gov/trends/emis/tre_mex.html

²⁸¹⁴ Trends, Carbon Dioxide Information Analysis Center (Tennessee) 26 September 2012. Date Access: 04 January 2012. http://cdiac.ornl.gov/trends/emis/tre_mex.html

²⁸¹⁵ Working towards the elimination of government subsidies for fossil fuels, 5 October 2012. Date of Access: 01 January 2012. <http://www.renewableenergymexico.com/?tag=fossil-fuels-subsidies-mexico>

²⁸¹⁶ Sweeping Mexico energy reform may stumble in Congress (Mexico City), 8 November 2012. Date of Access: 06 January 2012. Working towards the elimination of government subsidies for fossil fuels, 5 October 2012. Date of Access: 01 January 2012. <http://www.renewableenergymexico.com/?tag=fossil-fuels-subsidies-mexico>

basis.”²⁸¹⁷ Moreover, the Mexican government also implements a law for the Development of Renewable Energy Transition Financing (LAERTE). This new law makes it “mandatory for the Energy Secretariat to develop a National Renewable Energy Inventory to provide private and public actor[s], and the society in general, with reliable information on renewable resources in Mexico.”²⁸¹⁸

Mexico demonstrates full compliance with the commitment it has made on continuing with policies that promote clean energy and provide targeted support to the nations poorest group. Mexico is therefore awarded a score of +1.

Analyst: Atena Sadegh

Russia: +1

Russia has fully complied with its commitment on energy.

In the last Progress Report to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies, submitted in 2012, Russia stated that it did not have any inefficient fossil fuel subsidies.²⁸¹⁹ Thus it is evaluated on the efforts to provide support to national vulnerable groups that do not have access to subsidized fossil fuels.

Russia provides support to the consumers of energy derived from fossil fuels through subsidies on electricity consumption. According to the Energy Strategy for the Period until 2030, the government is going to pursue social targets in its energy policy by regulating retail prices on energy and providing targeted social support to the household consumers.²⁸²⁰

Russia provides targeted support to national vulnerable groups. Thus, it is awarded a score of +1.

Analyst: Andrei Sakharov

²⁸¹⁷ Large-scale renewable energy development project (PERGE), International Energy Agency (Paris), 04 June 2013. Date of Access: 24 June 2013.

2013. <http://www.iea.org/policiesandmeasures/pams/mexico/name%2c38704%2cen.php?s=dHlwZT1yZSZzdGF0dXM9T2s%2c&return=PGRpdiBjbGFzc0ic3ViTWVudSI-PGRpdiBjbGFzc0iYnJlYWVjcnVtYnMiPjxhIGhyZWY9Ii8iPkhvbWU8L2E-Jm5ic3A7Jmd0OyZuYnNwOzxlIGhyZWY9Ii9wb2xpY2llc2FuZG1lYXN1cmVzLyI-UG9saWNpZXMGYyW5kIE1lYXN1cmVzPC9hPiZuYnNwOyZndDs8YSBocmVmPSIvcG9saWNpZXNhbmRtZWZkdXJlcy9yZW5ld2FibGVlbnVyZ3kvaW5kZXgucGhwIj4mbmJzcDdtSZW5ld2FibGUgRW5lcm d5PC9hPiZuYnNwOyZndDsmbmJzcDdtZWZyY2ggUmVzdWx0PC9kaXY-PC9kaXY->

²⁸¹⁸ National renewable energy inventory, International Energy Agency (Paris), 05 June 2013. Date of Access: 24 June 2013.

<http://www.iea.org/policiesandmeasures/pams/mexico/name%2c38706%2cen.php?s=dHlwZT1yZSZzdGF0dXM9T2s%2c&return=PGRpdiBjbGFzc0ic3ViTWVudSI-PGRpdiBjbGFzc0iYnJlYWVjcnVtYnMiPjxhIGhyZWY9Ii8iPkhvbWU8L2E-Jm5ic3A7Jmd0OyZuYnNwOzxlIGhyZWY9Ii9wb2xpY2llc2FuZG1lYXN1cmVzLyI-UG9saWNpZXMGYyW5kIE1lYXN1cmVzPC9hPiZuYnNwOyZndDs8YSBocmVmPSIvcG9saWNpZXNhbmRtZWZkdXJlcy9yZW5ld2FibGVlbnVyZ3kvaW5kZXgucGhwIj4mbmJzcDdtSZW5ld2FibGUgRW5lcm d5PC9hPiZuYnNwOyZndDsmbmJzcDdtZWZyY2ggUmVzdWx0PC9kaXY-PC9kaXY->

²⁸¹⁹ Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Date of Access 8 December 2012. www.g20.org/load/780979315

²⁸²⁰ Roadmap of energy policy actions in pursuance of the Energy Strategy for the Period until 2030, Russian Ministry of Energy. Date of Access: 27 March 2013.

http://minenergo.gov.ru/activity/energostrategy/pr_5.php?sphrase_id=296610.

Saudi Arabia: n/a

According to Annex to the IEA, OPEC, OECD, World Bank report “Analysis of the Scope of Energy Subsidies and Suggestions for the G-20 Initiative” prepared for the G20 Toronto Summit in 2010 Saudi Arabia “is not implementing any measures that fit the criteria for inefficient fossil fuel subsidies” and “the G20 proposal for phasing out inefficient fossil fuel subsidies does not ... apply to Saudi Arabia.”²⁸²¹

However, according to the analysis by IEA, the subsidisation rate in Saudi Arabia is one of the highest in the world equalling 75.8% of the full cost of supply.²⁸²²

As Saudi Arabia claimed that this commitment could not be applied to this country as it did not have any inefficient subsidies and, thus, did not eliminate any of them, there is no need to compensate for their removal by providing targeted support to national vulnerable groups. Thus, Saudi-Arabia cannot be assessed for compliance with this commitment and has been awarded no score.

Analyst: Alexey Mironov

South Africa: +1

South Africa has provided targeted support to national vulnerable groups who do not have access to subsidized fossil fuels.

In its progress report, South Africa reported that it does not have inefficient fossil fuel subsidies to phase out.²⁸²³ Targeted support for low-income households without access to subsidized fossil fuels is present however in the form of free basic electricity.²⁸²⁴ Funding for free basic services, including electricity, to the municipalities are distributed through a formula, which will be reviewed.²⁸²⁵ A formula featuring a revenue-adjustment factor that reflects municipalities’ ability to generate their own revenue is proposed and the final formula will be released in the 2013 Budget.²⁸²⁶

South Africa’s state-owned electricity company Eskom has also proposed annual increases of electricity prices by 16 per cent every year until 2018.²⁸²⁷ There will be continued targeted

²⁸²¹ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group 11 June 2010. Date of Access: 2 April 2012. http://www.hse.ru/data/2012/04/17/1250180042/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

²⁸²² Fossil Fuel Consumption Subsidy Rates as a Proportion of the Full Cost of Supply, IEA October 2011. Date of Access: 20 April 2012. <http://www.iea.org/subsidy/index.html>

²⁸²³ Summary of Progress Reports to G-20 Leaders on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Date of Access: 5 January 2013. www.g20.org/load/780979315

²⁸²⁴ Free Basic Electricity, Department of Energy. Date of Access: 5 January 2013. http://www.energy.gov.za/files/faqs_frame.html

²⁸²⁵ Development cash linked to delivery, Mail and Guardian 25 October 2012. Date of Access: 5 January 2013. <http://mg.co.za/article/2012-10-25-development-cash-linked-to-delivery>

²⁸²⁶ Medium Term Budget Policy Statement 2012, Page 45-46, Department: National Treasury. Date of Access: 5 January 2013.

<http://www.treasury.gov.za/documents/mtbps/2012/mtbps/MTBPS%202012%20Full%20Document.pdf>

²⁸²⁷ Eskom: We need to double power prices by 2018, Mail and Guardian 22 October 2012. Date of Access: 5 January 2013. <http://mg.co.za/article/2012-10-22-eskom-we-need-to-double-power-prices-again-by-2018>

protection of the poor however who would pay less than other customers.²⁸²⁸ A proposed move away from the current Inclining Block Tariffs, for example, would see poor and small-capacity users experience a lower price increase.²⁸²⁹

In the 2013/2014 Municipal Budget Circular released on 12 March 2013, the government introduced a new funding formula which aims to provide “more households with a subsidy for free basic water, electricity, sanitation and refuse-removal services.”²⁸³⁰ The threshold income for access to free basic services has in the same time increased from ZAR800 per month (2001 prices) to ZAR2300 per month (2011 prices).²⁸³¹

South Africa has therefore shown that it is providing targeted support to vulnerable groups who do not have access to subsidized fossil fuels and thus has been given a score of +1.

Analyst: Andre Sinaga

Turkey: 0

Turkey has partially complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies while providing targeted support for the poorest.

As of 6 January 2013, the government continues to subsidize Turkish Hard-Coal Enterprises²⁸³² and no attempts to end these subsidies have been made. Nonetheless, from 20-22 June 2012 Turkey did participate and contribute to the Rio+20 Conference as well as the ‘Future We Want’ outcome document, which outlined “countries reaffirm the commitments they have made to phase out harmful and inefficient fossil fuel subsidies that encourage wasteful consumption and undermine sustainable development.”²⁸³³

At this Conference, Turkey also reaffirmed its support of implementing policies and strategies based on “renewable energy sources and other low-emission technologies, the more efficient use

²⁸²⁸ Eskom Multi-Year Price Determination: Eskom and NERSA briefings, Parliamentary Monitoring Group. Date of Access: 5 January 2013. <http://www.pmg.org.za/report/20121204-eskom-multi-year-price-determination-eskom-and-nersa-briefings>

²⁸²⁹ Eskom Multi-Year Price Determination: Eskom and NERSA briefings, Parliamentary Monitoring Group. Date of Access: 5 January 2013. <http://www.pmg.org.za/report/20121204-eskom-multi-year-price-determination-eskom-and-nersa-briefings>

²⁸³⁰ Municipal Budget Circular for the 2013/14 MTREF, Page 6, National Treasury: Republic of South Africa 12 March 2013. Date of Access: 27 June 2013. https://www.capetown.gov.za/en/Budget/Budget%20201314%20Final/Annexure%2013%20-%20C67%20Municipal%20Budget%20Circular%20for%201314MTREF_%20Final.pdf

²⁸³¹ Municipal Budget Circular for the 2013/14 MTREF, Page 6, National Treasury: Republic of South Africa 12 March 2013. Date of Access: 27 June 2013. https://www.capetown.gov.za/en/Budget/Budget%20201314%20Final/Annexure%2013%20-%20C67%20Municipal%20Budget%20Circular%20for%201314MTREF_%20Final.pdf

²⁸³² Turkey: Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil-Fuels – 2013, Organisation for Economic Co-operation and Development (Turkey) January 2013. Date of Access: 6 January 2013. <http://www.oecd.org/site/tadffs/TUR.pdf>

²⁸³³ The Future We Want, United Nations Conference on Sustainable Development (Rio de Janeiro, Brazil) 22 June 2012. Date of Access: 6 January 2013. <http://www.undp.org.tr/publicationsDocuments/3.The%20FutureWeWant.pdf>

of energy, greater reliance on advanced energy technologies, including cleaner fossil fuel technologies, and the sustainable use of traditional energy resources.”²⁸³⁴

Furthermore, in June 2012 in a report produced by the Turkish Ministry of Development titled ‘Turkey’s Sustainable Development Report: Claiming the Future’, it was outlined that “Turkey’s energy supply based on fossil fuels and dependency on import is a critical threat for sustainable development. This threat may be overcome with increasing use of renewable energy sources.”²⁸³⁵

Some of the initiatives related to sustainable development outlined by Turkey include increasing the use of renewable energy to 30 per cent by 2023,²⁸³⁶ becoming 20 per cent more energy efficient²⁸³⁷ and encouraging energy efficiency in manufacturing and industrial establishments.²⁸³⁸

As of 6 January 2013, Turkey continues to invest in a program created in 2003 aimed at distributing coal for heating purposes to assist poor families.²⁸³⁹ This program is administered by the Ministry of Energy and Natural Resources.

As of 30 May 2013, Turkey imports more than 60 per cent of its energy and much of it is in the form of fossil fuels.²⁸⁴⁰ Nonetheless, Turkey has developed several energy strategies that focus on the local production of energy from wind, hydropower, and geothermal sources thus emphasizing the need for improved energy efficiency in the country.”²⁸⁴¹ As of 30 May 2013 Turkey ranks number one in the world in terms of growth rate for wind energy plants.²⁸⁴²

²⁸³⁴ The Future We Want, United Nations Conference on Sustainable Development (Rio de Janeiro, Brazil) June 2012. Date of Access: 6 January 2013.

<http://www.undp.org.tr/publicationsDocuments/3.The%20FutureWeWant.pdf>

²⁸³⁵ Turkey's Sustainable Development Report Claiming the Future 2012, Ministry of Development (Ankara) June 2012. Date of Access: 6 January 2013.

<http://www.undp.org.tr/publicationsDocuments/1.Claiming%20the%20Future.pdf>

²⁸³⁶ Clean Technology Fund Drives Turkey's Renewable Energy Growth, The World Bank (Turkey) 4 December 2012. Date of Access: 6 January 2013.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTENERGY2/0,,contentMDK:23322468~pagePK:210058~piPK:210062~theSitePK:4114200,00.html>

²⁸³⁷ Clean Technology Fund Drives Turkey's Renewable Energy Growth, The World Bank (Turkey) 4 December 2012. Date of Access: 6 January 2013.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTENERGY2/0,,contentMDK:23322468~pagePK:210058~piPK:210062~theSitePK:4114200,00.html>

²⁸³⁸ Turkey's Sustainable Development Report Claiming the Future 2012, Ministry of Development (Ankara) June 2012. Date of Access: 6 January 2013.

<http://www.undp.org.tr/publicationsDocuments/1.Claiming%20the%20Future.pdf>

²⁸³⁹ Turkey: Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil-Fuels – 2013, Organisation for Economic Co-operation and Development (Turkey) January 2013. Date of Access: 6 January 2013. <http://www.oecd.org/site/tadffss/TUR.pdf>

²⁸⁴⁰ Wind, Water, and Steam – a Triple Win for Turkey’s Energy Sector (Turkey) 30 May 2013. Date of Access: 27 June 2013.

<http://www.worldbank.org/en/news/feature/2013/05/30/wind-water-steam-a-triple-win-for-turkey-energy-sector>

²⁸⁴¹ Wind, Water, and Steam – a Triple Win for Turkey’s Energy Sector (Turkey) 30 May 2013. Date of Access: 27 June 2013.

<http://www.worldbank.org/en/news/feature/2013/05/30/wind-water-steam-a-triple-win-for-turkey-energy-sector>

²⁸⁴² Wind, Water, and Steam – a Triple Win for Turkey’s Energy Sector (Turkey) 30 May 2013. Date of Access: 27 June 2013.

Thus, Turkey received a score of 0 for failing to rationalize its inefficient fossil fuel subsidies, but reaffirming its commitment to sustainable development and for providing support to vulnerable groups.

Analyst: Harry Malhi

United Kingdom: +1

The United Kingdom has fully complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term while providing targeted support to the nation's vulnerable groups.

On 12 October 2012, the government of the United Kingdom updated its policy with regards to helping the vulnerable. They continue to acknowledge that energy costs are rising and they need to support those in need. Some of the actions taken by the DECC are, the Green Deal, Warm Home Discount, Winter Fuel Payment, Smart meters, Energy Company Obligation, and the Electricity Demand Reduction project.²⁸⁴³

On 27 December 2012, Energy Secretary Ed Davey published a "renewable energy roadmap" that targets sourcing 15 per cent of all energy from renewable sources by 2020 in order to cut climate-warming emissions.²⁸⁴⁴ The DECC has identified that GBP12.7 billion has been confirmed as renewable investments by companies from 1 April 2011 to 31 July 2012.²⁸⁴⁵ The government of the United Kingdom continues to have indirect subsidies that have played a major role in continuously encouraging investment in renewable energy. The United Kingdom remains with the belief that it does not have inefficient fossil fuel subsidies.

The United Kingdom has provided targeted support to the national vulnerable groups thus it has been awarded a score of +1.

Analysts: Fayruz Al Asaad & German Cairo

United States: 0

The United States has partially complied with its commitment to rationalize and phase out inefficient fossil fuel subsidies while providing targeted support for the poorest.

For the fiscal year 2013 in the United States budget, provisions related to phasing out subsidies for fossil fuels were included in which the President proposed "to repeal a number of tax

<http://www.worldbank.org/en/news/feature/2013/05/30/wind-water-steam-a-triple-win-for-turkey-energy-sector>

²⁸⁴³ Policy: Helping households to cut their energy bills, Government UK 12 October 2012. Date of Access 28 January 2013. <https://www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills>

²⁸⁴⁴ UK close to green energy targets, Scotsman.com 27 December 2012. Date of Access 23 January 2013. <http://www.scotsman.com/business/management/uk-close-to-green-energy-targets-1-2707895>

²⁸⁴⁵ UK on track to hit 2020 green energy targets – DECC, Reuters 26 December 2012. Date of Access 28 January 2013. <http://www.reuters.com/article/2012/12/27/us-renewables-idUSBRE8BQ00620121227>

preferences available for fossil fuels.”²⁸⁴⁶ This provision would have eliminated USD4 billion annually in inefficient and outdated fossil fuel subsidies.²⁸⁴⁷

On 3 January 2013, despite the proposal of this budget to Congress, no such provision was included in the eventual tax bill that avoided the “fiscal cliff.”²⁸⁴⁸ Though President Barack Obama has attempted to eliminate fossil fuel subsidies on multiple occasions, the repeated defeat by Congress of any such legislation justifies the score of 0 for the United States.²⁸⁴⁹

Nonetheless, on 3 January 2012 in the interest of sustainable development, the American Taxpayer Relief Act of 2012 did include provisions for tax breaks to the wind and biofuel industries.²⁸⁵⁰ This Act also included tax credits for energy-efficient existing homes,²⁸⁵¹ for alternative fuel vehicle refueling property,²⁸⁵² for energy-efficient new homes,²⁸⁵³ and for energy-efficient appliances.²⁸⁵⁴

As of 6 January 2013, to assist vulnerable groups, the U.S. Department of Health and Human Services plans to provide USD3.068 billion of funding to the Low-Income Home Energy Assistance Program.²⁸⁵⁵ This program helps low-income households pay their home heating and

²⁸⁴⁶ Fiscal Year 2013 Budget of the U.S. Government, Office of Management and Budget (Washington). Date of Access: 6 January 2013.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

²⁸⁴⁷ Fiscal Year 2013 Budget of the U.S. Government, Office of Management and Budget (Washington). Date of Access: 6 January 2013.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

²⁸⁴⁸ An Act Entitled The American Taxpayer Relief Act of 2012, 112th Congress – U.S. Government Printing Office (Washington) 2 January 2012. Date of Access: 6 January 2013.

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr8enr/pdf/BILLS-112hr8enr.pdf>

Obama has no luck getting tax proposals past Congress, PolitiFact – Tampa Bay Times (St. Petersburg) 3 January 2013. Date of Access: 6 January 2013.

<http://www.politifact.com/truth-o-meter/promises/obameter/promise/2/eliminate-all-oil-and-gas-tax-loopholes/>

²⁸⁴⁹ Fossil Fuel Subsidies in the U.S., Oil Change International (United States) 2013. Date of Access: 6 January 2013. <http://priceofoil.org/fossil-fuel-subsidies/>

²⁸⁵⁰ Wind, biofuels lobbies win big in fiscal cliff deal, Washington Guardian (Washington) 2 January 2013.

Date of Access: 6 January 2013. <http://www.washingtonguardian.com/wind-biofuels-lobbies-win-big-fiscal-cliff-deal>

²⁸⁵¹ An Act Entitled The American Taxpayer Relief Act of 2012, 112th Congress – U.S. Government Printing Office (Washington) 2 January 2012. Date of Access: 6 January 2013.

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr8enr/pdf/BILLS-112hr8enr.pdf>

²⁸⁵² An Act Entitled The American Taxpayer Relief Act of 2012, 112th Congress – U.S. Government Printing Office (Washington) 2 January 2012. Date of Access: 6 January 2013.

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr8enr/pdf/BILLS-112hr8enr.pdf>

²⁸⁵³ An Act Entitled The American Taxpayer Relief Act of 2012, 112th Congress – U.S. Government Printing Office (Washington) 2 January 2012. Date of Access: 6 January 2013.

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr8enr/pdf/BILLS-112hr8enr.pdf>

²⁸⁵⁴ An Act Entitled The American Taxpayer Relief Act of 2012, 112th Congress – U.S. Government Printing Office (Washington) 2 January 2012. Date of Access: 6 January 2013.

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr8enr/pdf/BILLS-112hr8enr.pdf>

²⁸⁵⁵ LIHEAP ClearingHouse Funding, U.S. Department of Health and Human Services (Butte) 29 November 2012. Date of Access: 6 January 2013. <http://liheap.ncat.org/www.htm>

cooling bills and it operates in every state and the District of Columbia, as well as on most tribal reservations and U.S. Territories.²⁸⁵⁶

As of 6 January 2013, the United States also plans to continue to provide funding through the U.S. Department of Energy to the Weatherization Assistance Program, which enables low-income families to permanently reduce their energy bills by making their homes more energy efficient.²⁸⁵⁷

In June of 2013, President Obama released his Climate Action Plan, in which he reinforced his commitment to clean energy, including a transition to cleaner sources of energy.²⁸⁵⁸ For the fiscal year 2013 in the United States budget, provisions related to phasing out subsidies for fossil fuels were included in which the President proposed “to repeal a number of tax preferences available for fossil fuels.”²⁸⁵⁹ This provision would have eliminated USD4 billion annually in inefficient and outdated fossil fuel subsidies.²⁸⁶⁰

Thus, the United States received a score of 0 for failing to rationalize its inefficient fossil fuel subsidies, but reaffirming its commitment to sustainable development and for providing support to vulnerable groups.

Analyst: Harry Malhi

European Union: +1

The European Union has fully complied with its commitment to rationalize and phase-out inefficient fossil fuel subsidies while providing support for the poorest.

On 15 November 2012, The European Commission confirmed that it “intends to actively contribute to the G20 goal to remove all environmentally harmful subsidies, including remaining direct and indirect support for fossil fuels.”²⁸⁶¹

On 20 November 2012, the European Council and the European Parliament introduced preliminary regulatory framework on trans-European energy infrastructure, which “will help to modernize and expand Europe’s energy infrastructure in order to allow the EU to meet its core energy policy objectives of competitiveness, sustainability and security of supply.”²⁸⁶²

²⁸⁵⁶ LIHEAP ClearingHouse Who We Are, U.S. Department of Health and Human Services (Butte) 19 December 2012. Date of Access: 6 January 2013. <http://liheap.ncat.org/www.htm>

²⁸⁵⁷ Weatherization Assistance Program, U.S. Department of Energy (United States) 2012. Date of Access: 6 January 2013. <http://www1.eere.energy.gov/wip/wap.html>

²⁸⁵⁸ The President's Climate Action Plan, Executive Office of the President (Washington, United States). June 2013. Date of Access: 27 June 2013.

<http://www.whitehouse.gov/sites/default/files/image/president27sclimateactionplan.pdf>

²⁸⁵⁹ Fiscal Year 2013 Budget of the U.S. Government, Office of Management and Budget (Washington). Date of Access: 6 January 2013.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

²⁸⁶⁰ Fiscal Year 2013 Budget of the U.S. Government, Office of Management and Budget (Washington). Date of Access: 6 January 2013.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

²⁸⁶¹ Making the Internal Energy Market Work, European Commission (Brussels) 15 November 2012. Date of Access: 2 January 2013. http://ec.europa.eu/energy/gas_electricity/doc/20121115_iem_0663_en.pdf

²⁸⁶² The Council and the European Parliament Reach Informal Agreement on Energy Infrastructure Regulation, Council of the European Union (Brussels) 30 November 2012. Date of Access: 2 January 2013. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/133926.pdf

On 3 December 2012, the Council of the European Union announced that the EU recalled the need for “rationalization and the phasing out of environmentally or economically harmful subsidies, including for fossil fuels.”²⁸⁶³ The report also stressed the importance of the use of renewable energy resources (RES) in achieving the targets outlined in the Europe 2020 Strategy.²⁸⁶⁴ The European Council reiterated its commitment to an internal European energy market in providing security of supply and access to energy for all.²⁸⁶⁵

Thus the EU has been awarded a score of +1 in its attention to fossil fuel subsidies and the introduction of a framework aimed at supplying energy resources to vulnerable groups within all European Union nations.

Analyst: Caitlin Gillespie

²⁸⁶³ Council Conclusions on Renewable Energy, Council of the European Union (Brussels) 3 December 2012. Date of Access: 2 January 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/133950.pdf

²⁸⁶⁴ Council Conclusions on Renewable Energy, Council of the European Union (Brussels) 3 December 2012. Date of Access: 2 January 2013.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/trans/133950.pdf

²⁸⁶⁵ Transport, Telecommunications and Energy, Council of the European Union (Brussels) 3 December 2012. Date of Access: 2 January 2013. http://europa.eu/rapid/press-release_PRES-12-500_en.htm

12. Socioeconomic: Social and Economic Opportunities for Women

Commitment [#41]

“We commit to take concrete actions to overcome the barriers hindering women’s full economic and social participation and to expand economic opportunities for women in G20 economies.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China	-1		
France			+1
Germany		0	
India		0	
Indonesia		0	
Italy		0	
Japan		0	
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey	-1		
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.55	

Background

While the 2012 Los Cabos Summit marks the very first time the G20 has formally acknowledged its commitment to fostering economic opportunities for women, the importance of women’s social and economic participation can be noted from past summits.

At the 2009 London Summit, G20 members affirmed their commitment to promoting a “fair and family-friendly labour market for both women and men.”²⁸⁶⁶ This was the first instance in which women were explicitly mentioned in G20 summit documentation.²⁸⁶⁷ The connection between

²⁸⁶⁶ G20 Leaders Statement: London Summit, G20 Information Centre (Toronto) 2-3 April 2009. Date of Access: 10 December 2012.

<http://www.g20.utoronto.ca/analysis/commitments-09-london.html>.

²⁸⁶⁷ Where are Women at G20 Summits: Almost Nowhere. G20 Information Centre (Toronto) 19 June 2012. Date of Access: 10 December 2012.

<http://www.g20.utoronto.ca/analysis/120619-kulik-women.html>.

women's social participation in areas such as their participation in the labour market and its overall impact on the economic climate can be drawn from this pronouncement.

As the pertinence of robust labour markets and economies became clearer to G20 members and as female representation within the G20 increased (more than two-fold since the very first G20 Summit held in Washington DC on 14-15 November 2008), the inevitable result is a formal acknowledgment of the female impact on the global socioeconomic landscape and a commitment to ensure this impact is properly absorbed.²⁸⁶⁸

By highlighting women, the commitment shows that members have agreed upon new measures to pursue economic growth. It underscores that women are an integral part of the economy and that concrete action and commitment from the G20 members must be taken for women in order to ensure a successful global economic recovery.

Commitment Features

For full compliance, G20 members must (1) remove barriers that hinder women's full economic and social participation and (2) expand economic opportunities for women in G20 countries.

The commitment refers to expanding economic opportunities, which does not necessarily require the establishment of novel initiatives but can be realized by implementing additional regulation or providing additional resources in support of existing policies. Barriers that hinder economic and social participation can be defined as any policy, initiative or norm that impedes women's ability to become "full participants in the economy and unlock their potential as drivers of economic growth."²⁸⁶⁹

UN Women and the International Labour Organization (ILO) draw the connection between economic and social participation and women's empowerment in the *Decent Work and Women's Economic Empowerment: Good Policy and Practice* report. These organizations assert "a growing body of research shows that enhancing women's economic participation improves national economies, increases household productivity and living standards, enhances the well-being of children with positive long-term impacts and can increase women's agency and overall empowerment."²⁸⁷⁰

The United Nations Inter-Agency Network on Women and Gender Equality (IANWGE) and the OECD-DAC Network on Gender Equality (GENDERNET) outline the multifaceted nature of female social and economic participation. It is acknowledged that there are "several dimensions of empowerment. Economic empowerment can be used to enable other kinds of empowerment

²⁸⁶⁸ Where are Women at G20 Summits: Almost Nowhere. G20 Information Centre (Toronto) 19 June 2012. Date of Access: 10 December 2012.

<http://www.g20.utoronto.ca/analysis/120619-kulik-women.html>.

²⁸⁶⁹ Fact Sheet: Clinton at APEC Women and the Economy Summit, US Department of State (San Francisco) 16 September 2011. Date of Access: 11 December 2012.

<http://iipdigital.usembassy.gov/st/english/texttrans/2011/09/20110916161848su0.7641217.html#axzz2EnJKnx9l>.

²⁸⁷⁰ UN Women and ILO, *Decent Work and Women's Economic Empowerment: Good Policy and Practice*, UN Women (New York) 15 August 2012. Date of Access: 10 December 2012.

http://www.unwomen.org/wp-content/uploads/2012/08/decent-work-and-women-economic-empowerment_policybrief.pdf.

(social, political, cultural) as well as the other way around.²⁸⁷¹ In this sense, social, political and cultural tools are needed to both remove barriers to participation and expand existing opportunities.

UN Women and the ILO also outline key areas and policy options that can promote social and economic participation for women and expand economic opportunities:

- Implement development strategies, policies and programs that generate more jobs and ensure decent work for women, particularly in the informal sector²⁸⁷²
- Promote women’s leadership in public and corporate economic decision-making and in employer’s and worker’s organizations²⁸⁷³
- Promote a culture of equality and shared responsibility between men and women in paid and unpaid care work.²⁸⁷⁴
- Invest adequate financial resources in gender equality and women’s economic empowerment, especially in the world of work and monitor and evaluate these programs, making appropriate revisions²⁸⁷⁵

Scoring Guidelines

-1	Member does not remove barriers that hinder women’s full economic and social participation AND does not expand economic opportunities for women in G20 countries.
0	Member removes barriers that hinder women’s full economic and social participation OR expands economic opportunities for women in G20 countries.
+1	Member removes barriers that hinder women’s full economic and social participation AND expands economic opportunities for women in G20 countries.

G20 Research Group Chair: Ava-Dayna Sefa

Argentina: +1

Argentina has fully complied with its commitment to remove barriers that hinder women’s full economic and social participation and to expand economic opportunities for women.

²⁸⁷¹ Women’s Economic Empowerment, Accountability and National Ownership, United Nations Industrial Development Organization (Vienna) 1-2 February 2012. Date of Access: 10 December 2012. http://www.un.org/womenwatch/ianwge/collaboration/Consolidated_Report_Final.pdf.

²⁸⁷² UN Women and ILO, Decent Work and Women’s Economic Empowerment: Good Policy and Practice, UN Women (New York) 15 August 2012. Date of Access: 10 December 2012. http://www.unwomen.org/wp-content/uploads/2012/08/decent-work-and-women-economic-empowerment_policybrief.pdf.

²⁸⁷³ UN Women and ILO, Decent Work and Women’s Economic Empowerment: Good Policy and Practice, UN Women (New York) 15 August 2012. Date of Access: 10 December 2012. http://www.unwomen.org/wp-content/uploads/2012/08/decent-work-and-women-economic-empowerment_policybrief.pdf.

²⁸⁷⁴ UN Women and ILO, Decent Work and Women’s Economic Empowerment: Good Policy and Practice, UN Women (New York) 15 August 2012. Date of Access: 10 December 2012. http://www.unwomen.org/wp-content/uploads/2012/08/decent-work-and-women-economic-empowerment_policybrief.pdf.

²⁸⁷⁵ UN Women and ILO, Decent Work and Women’s Economic Empowerment: Good Policy and Practice, UN Women (New York) 15 August 2012. Date of Access: 10 December 2012. http://www.unwomen.org/wp-content/uploads/2012/08/decent-work-and-women-economic-empowerment_policybrief.pdf.

Argentina has taken actions to expand economic opportunities for women.

On 13 March 2013,²⁸⁷⁶ the Argentinean President launched the program *Ellas Hacen* to foster employability of 100 000 marginalized women in the country, providing training and labour for them in the restoration of the most vulnerable neighbourhoods of Argentina.

Argentina has taken actions to remove barriers that hinder women's full economic and social participation.

On 26 December 2012, the Argentinian President granted ARS12 million to create Women Protection Centers.²⁸⁷⁷

On 12 September 2012, the Women National Council signed an agreement with the National Institute for Statistics and Census to generate an index that will allow policymaking to prevent and eradicate gender violence.²⁸⁷⁸

Also on 29 and 30 October 2012, the Argentinean government submitted the national report to the 36 Council of Inter-American Women where it stated that President of Argentina Cristina Fernández de Kirchner is working to deepen the measures implemented for human rights protection.²⁸⁷⁹ In the report, several programs and laws that aim for women socioeconomic development are outlined. They were however all adopted prior to June 2012.

Thus Argentina has been awarded a score of +1 for its compliance with removing barriers that hinder women's full economic and social participation and expanding economic opportunities for women.

Analyst: Alejandra Plaschinski

Australia: +1

Australia has fully complied with its commitment to remove barriers that hinder women's full economic and social participation and to expand economic opportunities for women.

The government has established new legislation that supports gender equality in the workplace, contributed funding to projects that advance women's equality, and allocated specific funds within its budget to ensure that these initiatives are sustained.

On 22 June 2013, Prime Minister Gillard launched an inquiry into the treatment of women in the workplace, to be carried out by the Australian Human Rights Commission. "It's very concerning that there are even anecdotal reports that people, particularly women, feel discriminated against

²⁸⁷⁶ La Presidenta Cristina Fernández de Kirchner lanzó "Ellas Hacen". Ministerio de Desarrollo Social. 13 March 2013. (Buenos Aires) Date of Acces: 26 June 2013
<http://www.desarrollosocial.gov.ar/Noticia.aspx?Id=1927>

²⁸⁷⁷ La Presidenta de la Nación otorga fondos de inversión a mas de 14 distritos. Sala de Prensa de la Presidencia de la Nación. 26 December 2012. (Buenos Aires) Date of Access: 10 January 2013.
<http://www.prensa.argentina.ar/2012/12/26/37282-alicia-kirchner-entrego-fondos-de-inversion-social-a-mas-de-14-distritos.php>

²⁸⁷⁸ El Consejo Nacional de las Mujeres firmó un convenio con el INDEC. Ministerio de Desarrollo Social. 12 September 2012. (Buenos Aires) Date of Acces: 6 January 2013
<http://www.desarrollosocial.gov.ar/Noticia/convenioindec/1527>

²⁸⁷⁹ Argentina National Report to CIM. Organization of American States. 29 October 2012. (Washington) Date of Access: 6 January 2013 <http://www.oas.org/en/CIM/national.asp>

when they are caring for young children,” Prime Minister Gillard said.²⁸⁸⁰ “Given that I want us to be a nation where (there is) equal opportunity for everyone at every time in their life, I want to get to the bottom of the problem and what the solutions could be,” Prime Minister Gillard added.²⁸⁸¹ The inquiry is meant to investigate claims that women are being demoted or fired while on parental leave or once having returned to work having their hours restructured. A national survey will be part of the inquiry and Sex Discrimination Commissioner Elizabeth Broderick will review the findings and make recommendations should new laws be necessary.²⁸⁸²

On 17 June 2013, the Australian Minister for Community Services and for the Status of Women Julie Collins led the Australian Government delegation in Dhaka, Bangladesh, representing Australia as the Commonwealth Chair-in-Office at the 10th Women’s Affairs Ministers Meeting (WAMM). Minister Collins emphasized the importance of women’s full social and economic participation in an ever growing global environment. “Building strong partnerships with other countries is vital in our quest to expand economic opportunities for women and increase women’s participation in politics and civil life,” Minister Collins said.²⁸⁸³

On 21 May 2013, the Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women launched the “Women in Male-Dominated Industries Toolkit of Strategies.” This new toolkit is geared towards employers and is meant to better support women break into traditionally male-dominated industries. Started by the Australian Human Rights Commission, the initiative received US\$50,000 from the Australian Government and is part of Australia’s commitment to the Equal Futures Partnership, an international commitment launched in New York in 2012 by then US Secretary of State Hillary Clinton aimed at expanding economic opportunities for women.²⁸⁸⁴ Prime Minister Julia Gillard signed Australia up as a founding member, highlighting the importance of “[g]etting more women into male-dominated industries is an essential component of addressing future skills shortages.”²⁸⁸⁵

On 15 May 2013, the Australian Government, under Prime Minister Gillard, announced the allocation of an additional US\$4.3 million dollars in the 2013-2014 budget to support BoardLinks, a network established in November by the Australian Government aimed at creating better connections between the Australian Government and women seeking board positions.²⁸⁸⁶

²⁸⁸⁰ Gillard launches gender inquiry, The Sydney Morning Herald, National Times. (Sydney). 22 June 2013. Date of Access: 22 June 2013. <http://www.smh.com.au/opinion/political-news/gillard-launches-gender-inquiry-20130621-2oo81.html>.

²⁸⁸¹ Australian PM launches discrimination inquiry, The Bangkok Post. 22 June 2013. (Bangkok) Date of Access: 22 June 2013. <http://www.bangkokpost.com/news/asia/356399/australian-pm-launches-discrimination-inquiry>.

²⁸⁸² Gillard launches gender inquiry, The Sydney Morning Herald, National Times. (Sydney). 22 June 2013. Date of Access: 22 June 2013. <http://www.smh.com.au/opinion/political-news/gillard-launches-gender-inquiry-20130621-2oo81.html>.

²⁸⁸³ Minister leads Australian delegation to Bangladesh, Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women. 17 June 2013. Date of Access: 20 June 2013. <http://juliecollins.fahcsia.gov.au/node/373>.

²⁸⁸⁴ More Support for Women in Male Dominated Industries, Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women. 21 May 2013. Date of Access: 18 June 2013. <http://juliecollins.fahcsia.gov.au/node/364>.

²⁸⁸⁵ More Support for Women in Male Dominated Industries, Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women. 21 May 2013. Date of Access: 18 June 2013. <http://juliecollins.fahcsia.gov.au/node/364>.

²⁸⁸⁶ Supporting Leadership Opportunities for Women, Joint Media Release.

Especially geared to assist women seeking their first board appointment, Boardlinks works towards improving the participation of women on boards and recognises that improving leadership opportunities for women is a fundamental part of achieving gender equality. Boardlinks also plays an important role in helping the Government achieve its gender equality target of 40:40:20 on Australian Government boards by 2015. To date, a number of business leaders have become Champions of Boardlinks and three women from the network have already been appointed to a board position.²⁸⁸⁷

On 11 April 2013, in Sydney, the Australian Minister for Community Services and for the Status of Women Julie Collins and Member for Banks Daryl Melham, met with members of the Resourceful Australian Indian Network (RAIN) to launch RAIN's new website and discuss important issues affecting Indian women in Sydney. "RAIN supports women in the community who might otherwise feel isolated and voiceless,"²⁸⁸⁸ Mr Melham said. "New technology is an important tool to use to raise community awareness of women's issues — including awareness of local groups and support such as RAIN," stated Minister Collins, adding, "[w]e will continue to work with community organisations like RAIN to help us understand the barriers preventing women from participating in the workplace and the community."²⁸⁸⁹

On 8 April 2013, the Australian Minister for Community Services and for the Status of Women Julie Collins launched a free web based app, "Girls Gotta Know," that provides young Tasmanian women quick access to legal information on topics such as employment, housing, money, police and relationships. Developed by the Women's Legal Service Tasmania, Australian Minister Julie Collins emphasized, "[w]e need to use technology to inform and we also need to use it to influence changes in attitudes and behaviour to prevent violence from occurring in the first place"²⁸⁹⁰

On 1 December 2012, equal pay rises took effect and benefited some 150,000 social and community sector workers across Australia. The pay rises mark an important move in promoting equal pay for women where approximately 80 per cent of employees in the sector are women. In an announcement from the Australian Prime Minister's office, the required AUS2.8 billion is

Senator The Honourable Penny Wong, Minister for Finance and Deregulation, Deputy Leader of the Government in the Senate and the Honourable Julie Collins MP, Minister for the Status of Women. 14 May 2013. Date of Access: 20 June 2013. <http://www.financeminister.gov.au/media/2013/mr-324-13.html>.

²⁸⁸⁷ Supporting Leadership Opportunities for Women, Joint Media Release.

Senator The Honourable Penny Wong, Minister for Finance and Deregulation, Deputy Leader of the Government in the Senate and the Honourable Julie Collins MP, Minister for the Status of Women. 14 May 2013. Date of Access: 20 June 2013. <http://www.financeminister.gov.au/media/2013/mr-324-13.html>.

²⁸⁸⁸ Delivering Opportunities for Women from Diverse Backgrounds, Joint Media Release. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women and Daryl Melham, MP Member for Banks. 11 April 2013. Date of Access: 20 June 2013. <http://juliecollins.fahcsia.gov.au/node/345>.

²⁸⁸⁹ Delivering Opportunities for Women from Diverse Backgrounds, Joint Media Release. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women and Daryl Melham, MP Member for Banks. 11 April 2013. Date of Access: 20 June 2013. <http://juliecollins.fahcsia.gov.au/node/345>.

²⁸⁹⁰ "Girls Gotta Know": New app Helping Young Women, Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women. 8 April 2013. Date of Access: 20 June 2013. <http://juliecollins.fahcsia.gov.au/node/340>.

already accounted for in the budget and will be supplied to the Social and Community Services Pay Equity Special Account to ensure the need is met.²⁸⁹¹

On 17 November 2012, the Australian Government launched the BoardLinks program, a proactive initiative intended to support more Australian women in reaching leadership positions, “including increasing female representation on public and private sector boards.”²⁸⁹² BoardLinks’ focus on appointing women to their first government board role will expand the pool of women who can be appointed to board positions in the corporate sector,²⁸⁹³ explained Australian Minister Julie Collins.

On 15 November 2012, the Australian Minister for Community Services and for the Status of Women Julie Collins released the latest figures from the Gender Balance on Australian Government Boards Report 2011-2012 at the Centre for Economic Development Australia’s Women in Leadership Series 2012 in Melbourne. According to the report, the government is on target for achieving 40 per cent female representation by 2015,²⁸⁹⁴ demonstrating achievement of the government’s commitments to promote and ensure equal opportunities for women in the workforce.

Fulfilling the commitment to promote women’s leadership in the public and corporate sectors, the Australian government also announced on 14 December 2012 a AUS100, 000 contribution to the Federation of Ethnic Communities’ Councils of Australia to promote increased participation of women from culturally and linguistically diverse backgrounds to serve on boards. This funding is intended as a one-time amount and will be used “to identify pathways for women from diverse backgrounds into board positions.” The project will allow the government to “compile hard data on how many women from diverse backgrounds do in fact occupy top leadership and decision-making positions [...] once we have this kind of information, we can implement initiatives and policies to improve the participation on boards of women from diverse backgrounds,” stated Australian Minister for Community Services and Minister for the Status of Women Julie Collins. The project will also highlight companies and business leaders who have successfully supported women from diverse backgrounds to achieve leadership positions.²⁸⁹⁵ This initiative highlights the government’s commitment to invest and fund projects aimed at promoting gender equality and women’s empowerment.

²⁸⁹¹ New Equal pay era Begins for Community Sector Workers, Joint Media Release With Prime Minister Julia Gillard, The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women 1 December 2012. Date of Access: 28 December 2012. <http://juliecollins.fahcsia.gov.au/node/291>.

²⁸⁹² Government Supporting Women in Leadership, Senator The Honourable Penny Wong Minister For Finance And Deregulation. 7 November 2012. Date of Access: 28 December 2012. <http://juliecollins.fahcsia.gov.au/node/272>.

²⁸⁹³ More Women on Australian Government Boards Than Ever Before. Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women. 15 November 2012. Date of Access: 28 December 2012. <http://juliecollins.fahcsia.gov.au/node/274>.

²⁸⁹⁴ More women on Australian Government Boards Than Ever Before, Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women. 15 November 2012. Date of Access: 28 December 2012. <http://juliecollins.fahcsia.gov.au/node/274>.

²⁸⁹⁵ More Opportunities for Women from Diverse Backgrounds. Media Releases. The Honourable Julie Collins MP, Minister for Community Services and Minister for the Status of Women 14 December 2012. Date of Access: 28 December 2012. <http://juliecollins.fahcsia.gov.au/node/298>.

The government has also pledged AUS225.1 million to go towards Jobs, Education and Training Child Care Fee Assistance (JETCCFA) within the 2012-2013 Budget. The JETCCFA will provide income support by paying the majority of the difference between the cost of childcare and the current amount received as part of the Child Care Benefit.²⁸⁹⁶

Thus Australia has been awarded a score of +1 for its compliance with removing barriers that hinder women's full economic and social participation and expanding economic opportunities for women.

Analyst: Rebecca Wilkinson-Blanc

Brazil +1

Brazil has fully complied with its commitment to remove barriers that hinder women's full economic and social participation and to expand economic opportunities for women.

Brazil has taken concrete actions to remove barriers that hinder women's full economic and social participation.

In January 2013, the Brazilian Government released the 2013-2015 National Policy Plan for Women. The plan first commits to further promoting the gender-specific component of some of the current Brazilian administration's flagship programs such as "Brazil with no Misery" and "Brazil with no Poverty." The plan also outlines the launch of new awareness raising programs aiming to eradicate discrimination against women at the state, municipal, industrial and corporate levels.²⁸⁹⁷ It also commits to expanding federal partnerships with municipalities to provide mothers with public day-care facilities, announcing the opening of 3,000 new day-care centres before 2014 in addition to the 3,000 new ones opened throughout 2012.²⁸⁹⁸

In order to support the plan, two educational brochures with guidelines for implementation and examples from best practices were made available for different government levels.²⁸⁹⁹

Brazil has also taken concrete actions to expand economic opportunities for women.

As of 1 April 2013, Brazilian labour law will now protect providers of domestic services such as cleaning, cooking, babysitting, etc.²⁹⁰⁰ This new legal development guarantees providers of domestic services a minimum wage, a working week capped at 44 hours maximum, vacation days,

²⁸⁹⁶ Key Initiatives of the 2012-13 Budget, The Government of Australia. Date of Access: 1 January 2013. http://www.budget.gov.au/2012-13/content/overview/html/overview_key_initiatives.htm.

²⁸⁹⁷ Plano Nacional de Políticas Públicas Para Mulheres, Governo Federal do Brasil 2013-2015, Date of Access: 07 July 2013

<http://spm.gov.br/pnpm/publicacoes/plano-nacional-de-politicas-para-as-mulheres-2013>

²⁸⁹⁸ Governo pretende entregar até 6 mil creches até 2014, O Globo, Apr 2013, Date of Access: 07 July 2013 <http://g1.globo.com/politica/noticia/2013/04/governo-pretende-entregar-6-mil-creches-ate-2014-diz-dilma.html>

²⁸⁹⁹ País lança publicações inéditas contra desigualdade de gênero e raça, Federal Government of Brazil, May 2013, Date of Access: 07 July 2013

<http://www.brasil.gov.br/noticias/arquivos/2013/05/09/pais-lanca-publicacoes-ineditas-contradesigualdade-de-genero-e-de-raca>

²⁹⁰⁰ Lei das Domésticas é assinada hoje, R7, Apr 2013 <http://noticias.r7.com/economia/noticias/lei-das-domesticas-e-assinada-hoje-tire-suas-duvidas-20130402.html?question=0> Date of Access: 07 July 2013

retirement benefits and transportation subsidies, expanding their economic rights and opportunities.²⁹⁰¹

Thus Brazil has been awarded a score of +1 for its compliance with removing barriers that hinder women's full economic and social participation and expanding economic opportunities for women.

Analyst: Raquel Mendes

Canada: +1

Canada has fully complied with its commitment to remove barriers that hinder women's full economic and social participation and to expand economic opportunities for women in G20 countries.

Canada has taken actions to remove barriers that hinder women's full economic and social participation; however changes to the legislation are still work in progress.

On 11 June 2013, the Canadian Government's Family Homes on Reserves and Matrimonial Interests or Rights Act passed third reading in the House of Commons. The Bill is aimed at ensuring that women and families living on First Nation reserves have access to the same matrimonial rights as those living off reserves. "Women living on-reserve will finally enjoy the same real property rights as every other member of our society,"²⁹⁰² stated the Minister of Public Works and Government Services and Minister for Status of Women, Rona Ambrose. "This new law will also save lives — by giving Aboriginal women access to emergency protection orders in violent situations,"²⁹⁰³ Minister Ambrose added.

Canada has taken actions to expand economic opportunities for women.

On 18 June 2013, Parliamentary Secretary to the Minister for Status of Women Susan Truppe announced the Federal Government's support for a project aimed at promoting leadership among girls and young women in francophone communities across the province of PEI. Partnering with Actions Femme I-P-E Inc., the government's goal is "to create real leadership opportunities so that francophone and Acadian girls and young women can contribute to Canada's prosperity."²⁹⁰⁴

²⁹⁰¹ Pesquisa Mensal de Emprego – Mulher no Mercado de Trabalho, IBGE, 2012, Date of Access: 07 July 2013

http://www.ibge.gov.br/home/estatistica/indicadores/trabalhoerendimento/pme_nova/Mulher_Mercado_Trabalho_Perg_Resp_2012.pdf

²⁹⁰² Legislation to Improve the Rights of Women and Their Families on First Nation Reserves Passes Third Reading in the House of Commons, The Government of Canada, Aboriginal Affairs and Northern Development Canada. (Ottawa) 11 June 2013. Date of Access: 20 June 2013. <http://www.aadnc-aandc.gc.ca/eng/1370978535769/1370978580800>.

²⁹⁰³ Legislation to Improve the Rights of Women and Their Families on First Nation Reserves Passes Third Reading in the House of Commons, The Government of Canada, Aboriginal Affairs and Northern Development Canada. (Ottawa) 11 June 2013. Date of Access: 20 June 2013. <http://www.aadnc-aandc.gc.ca/eng/1370978535769/1370978580800>.

²⁹⁰⁴ Harper Government Supports Leadership Project for Francophone Girls and Young Women in PEI, Canada News Centre (Morell). 18 June 2013. Date of Access: 20 June 2013.

<http://www.newswire.ca/en/story/1185729/harper-government-supports-leadership-project-for-francophone-girls-and-young-women-in-pei>.

The Federal Government will be giving CAD165, 000 for a 24-month project that promotes leadership capacity among francophone and Acadian women aged 15 to 24.²⁹⁰⁵

On 10 June 2013, the Minister of Public Works and Government Services and Minister for Status of Women, Rona Ambrose chaired the meeting of the Canadian federal government's advisory council aimed at promoting the participation of women on corporate boards.²⁹⁰⁶ The council is comprised of women and men representing a range of backgrounds in the corporate sector and is mandated to provide advice on how industry can increase women's representation on corporate boards. The board is also charged with suggesting how industry and government can track and measure progress of the initiative and making recommendations on how the government can recognize leaders and applaud companies that have reached their targets. The recommendations of the advisory council are expected to be published in fall of 2013.²⁹⁰⁷

On 19 April 2013, Mr. Wladyslaw Lizon, Member of Parliament for Mississauga East — Cooksville announced on behalf of the Minister of Public Works and Government Services and Minister for Status of Women, the Honourable Rona Ambrose the Government of Canada's support to the Peel Children and Youth Initiative. This program promotes economic security among young women in the City of Mississauga. The Initiative will receive CAD200, 000 in funding from the Government of Canada for a 24-month project that will work with young women aged between 16 and 24 years living in Mississauga's Colonial Terrace neighbourhood.²⁹⁰⁸ The women participants will create an Advisory Committee to identify economic barriers that they face and will work to develop strategies to move toward economic prosperity.²⁹⁰⁹

On 11 October 2012, the Government of Canada celebrated the first International Day of the Girl, an initiative led by the Canadian government at the United Nations to celebrate and recognize girls "as powerful agents of change and as leaders of today and tomorrow."²⁹¹⁰ The establishment of the International Day of the Girl focuses on the empowerment of girls to reach their full potential in society and to overcome gender based barriers.²⁹¹¹ Canadian Minister Ambrose

²⁹⁰⁵ Harper Government Supports Leadership Project for Francophone Girls and Young Women in PEI, Canada News Centre (Morell). 18 June 2013. Date of Access: 20 June 2013. <http://www.newswire.ca/en/story/1185729/harper-government-supports-leadership-project-for-francophone-girls-and-young-women-in-pei>

²⁹⁰⁶ Harper Government Increasing Participation of Women on Corporate Boards, Canadian News Wire. (Ottawa, Ontario). 10 June 2013. Date of Access: 19 June 2013. <http://www.newswire.ca/en/story/1180935/harper-government-increasing-participation-of-women-on-corporate-boards>

²⁹⁰⁷ Harper Government Increasing Participation of Women on Corporate Boards, Canadian News Wire. (Ottawa, Ontario). 10 June 2013. Date of Access: 19 June 2013. <http://www.newswire.ca/en/story/1180935/harper-government-increasing-participation-of-women-on-corporate-boards>

²⁹⁰⁸ Government of Canada Supports Economic Security of Girls and Young Women in Mississauga, the Status of Women Canada. News Release. 19 April 2013. Date of Access: 20 June 2013. <http://www.swc-cfc.gc.ca/med/news-nouvelles/2013/0419-2-eng.html>.

²⁹⁰⁹ Government of Canada Supports Economic Security of Girls and Young Women in Mississauga, the Status of Women Canada. News Release. 19 April 2013. Date of Access: 20 June 2013. <http://www.swc-cfc.gc.ca/med/news-nouvelles/2013/0419-2-eng.html>.

²⁹¹⁰ International Day of the Girl, Status of Women Canada. Date of Access: 28 December 2012. <http://www.swc-cfc.gc.ca/dates/idg-jif/index-eng.html>.

²⁹¹¹ Government of Canada Celebrates International Day of the Girl, Status of Women Canada. Canada News Centre. 11 October 2012. Date of Access: 1 January 2013.

expressed the importance of this event, stating that “girls’ rights are human rights; the sooner in life girls know their rights, the greater the chance they will be able to exercise them and become leaders.”²⁹¹² The inauguration of this event highlights the Government of Canada’s efforts towards fulfilling their commitment to invest in initiatives that promote gender equality and women’s empowerment. However specific funding or investment outside of this annual event is not yet available.

On 1 August 2012, Canadian Labour Minister Lisa Raitt hosted a round table where stakeholders on the issue of women in the workforce were present. Best practices were shared amongst participants with the goal of sharing information to help better understand the challenges faced by women in today’s workplaces. Canadian Minister Raitt held the talk to seek input from stakeholders on what issues women face such as employment equity, workplace violence, harassment, discrimination, recruitment and retention,²⁹¹³ but the talks have yet to be followed with recommendations or any other official report.

On 3 July 2012, the Government of Canada announced funding support for a project aimed at addressing economic prosperity of immigrant women in central Alberta. As part of the government’s Economic Action Plan 2012, the government pledged CAD300, 000 to the Central Alberta Immigrant Women’s Association (CAIWA) for a project to work “with local community partners to develop and implement a plan promoting the economic security and prosperity of immigrant women in Central Alberta.” “We are building opportunities for women to be full participants in life of their communities and our country,”²⁹¹⁴ stated Canadian Minister of Public Works and Government Services and Minister for Status of Women Rona Ambrose.

The Economic Action Plan 2012 also stipulates the creation of an advisory council of leaders from both the private and public sectors charged with the mission of promoting the participation of women on corporate boards.²⁹¹⁵ On 5 July 2012, Canadian Minister Ambrose held a roundtable to further discuss this mission with local business leaders, executives and community decision-makers and talk about different ways to promote an increase in women’s leadership and participation on boards of directors.²⁹¹⁶ Given the fact that women represent only 14.4 per cent of

<http://news.gc.ca/web/article-eng.do?mthd=advSrch&crtr.page=18&nid=700379&crtr.kw=women>.

²⁹¹² Canada Highlights Continuing Women’s Rights Battles as It Marks Human Rights Day, Foreign Affairs and International Trade Canada. Canada News Centre. 10 December 2012. Date of Access: 1 January 2013.

<http://news.gc.ca/web/article-eng.do?mthd=advSrch&crtr.page=3&nid=711629&crtr.kw=women>.

²⁹¹³ Canada’s Labour Minister Meets with Key Stakeholders to Discuss Issues Related to Women in the Workforce, Human Resources and Skills Development Canada. Canada’s News Centre. Date of Access: 28 December 2012.

[http://news.gc.ca/web/article-eng.do?m=per cent2Findex&nid=688849](http://news.gc.ca/web/article-eng.do?m=per%20cent2Findex&nid=688849).

²⁹¹⁴ Government of Canada Announces Support for Rural Alberta Immigrant Women, Status of Women Canada. News Centre. 3 July 2012 (Red Deer, Alberta). Date of Access: 1 January 2013.

<http://news.gc.ca/web/article-eng.do?mthd=advSrch&crtr.page=38&nid=684209&crtr.kw=women>.

²⁹¹⁵ Jobs Growth and Long-Term Prosperity. Economic Action Plan 2012. Minister of Finance. (Ottawa) 29 March 2012. Date of Access: 28 December 2012.

<http://www.budget.gc.ca/2012/plan/pdf/Plan2012-eng.pdf>.

²⁹¹⁶ Minister Ambrose Consults on Promoting Women’s Participation on Corporate Board, Status of Women Canada. Canada News Centre (Calgary). 5 July 2012. Date of Access: 3 January 2013.

<http://news.gc.ca/web/article-eng.do?mthd=advSrch&crtr.page=37&nid=684739&crtr.kw=women>.

overall corporate board member composition in Canada,²⁹¹⁷ increasing this percentage will be a main focus of the advisory council. However concrete initiatives have yet to be announced

Thus Canada has been awarded a score of +1 for its compliance with removing barriers that hinder women's full economic and social participation and expanding economic opportunities for women.

Analyst: Rebecca Wilkinson-Blanc

China: -1

China has failed to comply with its commitment to remove barriers that hinder women's full economic and social participation and to expand economic opportunities for women in G20 countries.

Notwithstanding the August 2011 launch of its National Program for Women's Development (2011-2020) which aims to provide better economic opportunities to women and to guarantee their full socioeconomic participation²⁹¹⁸, China has not taken any concrete action to remove barriers that hinder women's full economic and social participation since the 2012 Los Cabos Summit.

It has not taken any concrete action to expand economic opportunities for women either.

Thus China has been awarded a score of -1 for its lack of compliance with removing barriers that hinder women's full economic and social participation and expanding economic opportunities for women.

Analyst: Raquel Mendes

France: +1

France has fully complied with its commitment to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

France has taken concrete actions to overcome barriers hindering women's full economic and social participation by signing a new decree that includes a set of immediate actions for equality between men and women.

On 10 June 2013, Najat Vallaud-Belkacem gave the Superior Council of Professional Equality between Women and Men the first assessment of her job on professional equality²⁹¹⁹. The modification of a decree on 19 December 2012 makes systematic and mandatory the monitoring of companies of more than 50 employees on the topic of equality of genders²⁹²⁰. Due to the

²⁹¹⁷ Canadian Board Diversity Council, 2012 Annual Report Card. Date of Access: 28 December 2012. <http://www.boarddiversity.ca/sites/default/files/CBDC-Annual-Report-Card-2012-ENG.pdf>.

²⁹¹⁸ Outline: Details on Development of Chinese Women (2011-2010) Program, Chine Human Rights, August 2011. Date of Access: 07 January 2013 http://www.chinahumanrights.org/Messages/feature/104/t20110811_780680.htm

²⁹¹⁹ "Egalite salariale: 1.600 plans d'action deposees", French Ministry for Women's Rights Website (Paris) 13 June 2013. Date of Access: 27 June 2013.

<http://femmes.gouv.fr/egalite-salariale-1600-plans-daction-deposes/>

²⁹²⁰ "Le nouveau decret sur l'egalite home femme est paru au Journal Officiel", French Ministry for Women's Rights Website (Paris) 19 Decembre 2012. Date of Access: 27 June 2013.

system of sanctions related in case of lack of compliance, “nearly 65 per cent of companies with more than 1.000 employees and 36 per cent of companies with more than 300 employees were already in compliance with the law in presenting an action plan for equality between women and men.”

On 30 November 2012, the Inter-ministerial Committee on Women’s Rights and Equality between Women and Men met for the first time since 2000. The French government, represented by the Prime Minister Jean-Marc Ayrault, reaffirmed its will to “move from equality in law to equality in practice.” The committee devised a decision statement²⁹²¹ or action plan, as well as roadmaps for each department in its field of competence.²⁹²² For instance, the Ministry of Productive Recovery is responsible of implementing measures to boost female entrepreneurship and monitoring the appointment of women in government executives and operator companies.²⁹²³

On 27 June 2012, French Minister for Women’s Rights Najat Vallaud-Belkacem and Minister of State Reform Marilyse Lebranchu introduced future measures to strengthen equality of men and women in both the social and economic realms. The main components of the measure was the reactivation of the Inter-ministerial Committee on Women’s Rights under the authority of the French Prime Minister, the future discussion between the government and the social partners on “effective and real equality in business,” shared parenthood and the facilitation of the return to work after childbirth.²⁹²⁴

On 26 September 2012, “L’ABCD de l’égalité”²⁹²⁵ was launched in France. The program aims to educate children from kindergarten to university about gender equality in order to avoid future misunderstandings and gender social differences.

France has taken concrete actions to expand economic opportunities for women.

On 18 June 2013, French Minister for Women’s Rights Najat Vallaud-Belkacem unveiled the roadmap of her plan for the development of female entrepreneurship during the event Planète

<http://femmes.gouv.fr/le-nouveau-decret-sur-legalite-professionnelle-est-paru-au-journal-officiel/>

²⁹²¹ Decision Statement of the Inter-Ministerial Committee for Women’s Rights and Equality between Women and Men, French Ministry for Women’s Rights Website (Paris) 30 November 2012. Date of Access: 4 January 2013.

<http://femmes.gouv.fr/wp-content/uploads/2012/11/CI-DDF-RELEVE-V7.pdf>

²⁹²² Women’s Rights: Ministerial Roadmaps, French Ministry for Women’ Rights Website (Paris) 30 November 2012. Date of Access: 5 January 2013.

<http://femmes.gouv.fr/droits-des-femmes-les-feuilles-de-route-ministerielles/>

²⁹²³ The Ministry for the Productive Recovery is committed to the Women-Men Equality, French Ministry for the Productive Recovery Website (Paris) 30 November 2012. Date of Access: 3 January 2013.

<http://www.redressement-productif.gouv.fr/ministere-redressement-productif-sengage-pour-egalite-hommes-femmes>

²⁹²⁴ “L’égalité entre les femmes et les hommes au cœur de l’action publique », Communication by the Minister for Women’s Rights Najat Vallaud-Belkacem at the Council of Ministers, French Ministry for Women’s Rights Website (Paris) 27 June 2012. Date of Access: 4 January 2013.

http://femmes.gouv.fr/wp-content/uploads/2012/07/1_egalite_entre_les_femmes_et_les_hommes_au_coeur_de_l_action_publicque.pdf

²⁹²⁵ “De la crèche à l’université, éduquer à l’égalité”, French Ministry for Women’s Rights Website (Paris) 18 October 2012. Date of Access: 4 January 2013.

<http://femmes.gouv.fr/de-la-creche-a-luniversite-eduquer-a-legalite/>

PME2926. She aims for 40 per cent of women entrepreneurs by 2017. This plan contains three parts which are raising awareness, support and financial access. One of the actions is to integrate in the school program a “female entrepreneurship” class from the 5th grade on.

Thus France has been awarded a score of +1 for its actions to overcome barriers hindering women’s full economic and social participation and to expand economic opportunities for women.

Analyst: Jessica Coper

Germany: 0

Germany has partially complied with its commitment to take concrete actions to overcome the barriers hindering women’s full economic and social participation and to expand economic opportunities for women. It is explicitly committed in gender equality advancement; however no concrete actions were taken.

On 18 April 2013, Germany’s parliament rejected a law to implement gender quotas for Supervisory Boards of companies listed on the stock exchange or domestic corporations²⁹²⁷. The government, which was strongly divided on the topic, has however reached a consensus on “a quota of 30 percent for share of women serving on every corporate supervisory board.”

Moreover, the German government lobbied against the implementation of the European Union’s proposal to institute a gender quota for non-executive boards across the European Union.²⁹²⁸ It yet pushed the possibility for every state to “determine what kind of sanctions to impose on non-compliant firms.”²⁹²⁹

On 26 October 2012, Minister for Family, Senior Citizens, Women and Youth Dr. Kristina Schröder reaffirmed the will of the government to increase the number of women in leadership positions²⁹³⁰ within business and government. She then took action to meet President of the Federal Association of German Business Consultants Antonio Schneider to discuss the need for candidates in high-level consulting positions.

On 19 September 2012, Germany, represented by Deputy Head of the task force rule of law in the Federal Foreign Office Hermann Nicolai pledged for “gender equality and empowering women

²⁹²⁶ “Les clefs pour atteindre 40% de femmes entrepreneures”, French Ministry for Women’s Rights Website (Paris) 25 June 2013. Date of Access: 27 June 2013.

<http://femmes.gouv.fr/les-clefs-pour-atteindre-40-de-femmes-entrepreneures-des-2017/>

²⁹²⁷ “Gender gap: Germany rejects law requiring gender quota”, Der Spiegel (Berlin) 18 April 2013. Date of Access: 30 June 2013.

<http://www.spiegel.de/international/germany/germany-rejects-law-requiring-board-quotas-a-895238.html>

²⁹²⁸ Merkel’s Passive Gender Equality Policy Could Backfire, Der Spiegel (Berlin) 21 November 2012. Date of Access: 27 December 2012.

<http://www.spiegel.de/international/germany/passive-gender-equality-policy-could-backfire-for-angela-merkel-a-868343.html>

²⁹²⁹ Battle with Brussels: Germany to lobby against EU quota, Der Spiegel (Berlin) 6 March 2013. Date of Access: 30 June 2013.

<http://www.spiegel.de/international/europe/germany-to-lobby-against-eu-gender-quota-a-887174.html>

²⁹³⁰ “Frauen in Führungspositionen” (Women in Leadership Positions), German Ministry for Family, Seniors, Women and Youth Website (Berlin/Bonn) 26 October 2012. Date of Access: 27 December 2012. <http://www.bmfsfj.de/BMFSFJ/Presse/pressemitteilungen.did=190644.html>

and children” at the domestic and international levels²⁹³¹. The German government has committed to strengthen the “awareness on the still existing inequalities in pay between women and men” and to provide enterprises with software which analyses the wages differentials.

Thus Germany has been awarded a score of 0 for its status quo on women’s empowerment.

Analyst: Jessica Coper

India: 0

India has partially complied with its commitment to take concrete actions to overcome the barriers hindering women’s full economic and social participation and to expand economic opportunities for women.

India has taken concrete action to overcome barriers hindering women’s full economic and social participation.

Following and as a response to the protests in the 2012 Delhi gang rape case, the Indian Government passed the Criminal Law (Amendment) Bill 2013.²⁹³² The legislation was passed by the Lok Sabha on 19 March 2013 and by the Rajya Sabha on 21 March 2013, providing for amendment of the Indian Penal Code, Indian Evidence Act and Code of Criminal Procedure, 1973 on laws related to sexual offences. The Bill received Presidential assent on 2 April 2013.²⁹³³

This new legislation explicitly recognizes and incorporates certain acts as offences which were dealt under related laws. These offences now incorporated into the Indian Penal Code include acid attacks, sexual harassment, voyeurism and stalking.²⁹³⁴

However India has taken no concrete action to expand economic opportunities for women.

Thus India has been awarded a score of 0.

Analyst: Rym Ghouma

Indonesia: 0

Indonesia has partially complied with its commitment to take concrete actions to overcome the barriers hindering women’s full economic and social participation and to expand economic opportunities for women. The Indonesian government has implemented multiple initiatives to expand economic opportunities for women since the Los Cabos Summit. However the Indonesian

²⁹³¹ High-level Meeting on the Rule of Law at the National and International Levels: Pledge Registration Form, United Nations Rule of Law Website (New York) 24 September 2012. Date of Access: 6 January 2013.

<http://www.unrol.org/files/German%20pledges.pdf>

²⁹³² Criminal Law (Amendment) Ordinance, 2013, Press Information Bureau, Government of India (Delhi) 4 February 2013. Date of Access: 15 July 2013.

<http://www.pib.nic.in/newsite/erelease.aspx?relid=91979>

²⁹³³ Criminal Law (Amendment) Ordinance, 2013, Press Information Bureau, Government of India (Delhi) 4 February 2013. Date of Access: 15 July 2013.

<http://www.pib.nic.in/newsite/erelease.aspx?relid=91979>

²⁹³⁴ Criminal Law (Amendment) Ordinance, 2013, Press Information Bureau, Government of India (Delhi) 4 February 2013. Date of Access: 15 July 2013.

<http://www.pib.nic.in/newsite/erelease.aspx?relid=91979>

Government has adopted regulations that hinder or undermine women's rights in the same period of time.

On 28 April 2013, the Group Concerned Citizens for the Indonesian Legislature (Formappi) announced that 2,434 out of 6,576 candidates — or 37 per cent of the candidates — nominated by the 12 eligible parties for the 2014 legislative elections were women.²⁹³⁵ It also specified that the parties complied with their commitment to present at least 30 per cent of women to constituencies in presenting their female members in multiple constituencies.

On 28 December 2012, the Report of Performance Outcomes of The Indonesian Ministry of Women Empowerment and Child Protection²⁹³⁶ was issued. The annual report lists the ongoing implementation of several initiatives and assesses achievements. A pertinent example of a current initiative of the Indonesian government is the creation of guidelines on “Parameter Gender Equality in the Formation of Legislation” which will officially be released in 2013 in the form of a presidential regulation.

On 4 December 2012, at the Fourth Ministerial Conference on the Role of Women in Development of the Organization of Islamic Cooperation Member States, the Jakarta Declaration²⁹³⁷ reaffirmed the commitment of Indonesia and all members of the Organization of Islamic Cooperation in the pursuit of women's empowerment in the social and economic realms.

On 11 July 2012, the Indonesian Minister of Women Empowerment and Child Protection of Indonesia Linda Amalia Sari confirmed Indonesia's engagement²⁹³⁸ for women economic and social empowerment at the 52nd Session of the Committee of Elimination of All Forms of Discriminations against Women.

However, on 14 September 2012, the Indonesian National Commission on Violence against Women²⁹³⁹ reported that a significant number of regulations discriminating against women were being adopted throughout the country and further claimed that more restrictive regulations were passed than repealed. More than 130 new regulations infringing upon women's rights were

²⁹³⁵ Bad math: Political Parties meet all the Quotas, but where are the all the Women?, TheJakartaGlobe (Jakarta) 29 April 2013. Date of Access: 30 June 2013.
<http://www.thejakartaglobe.com/news/bad-math-political-parties-meet-female-quotas-but-where-are-all-the-women/#more-1>

²⁹³⁶ Report of Performance Outcomes of the Ministry of Women Empowerment and Child Protection Year 2012, Indonesian Ministry of Women Empowerment and Child Protection Website (Jakarta) 28 December 2012. Date of Access: 5 January 2013.
<http://menegpp.go.id/V2/index.php/component/content/article/8-perempuan/467-laporan-hasil-capaian-kinerja-kpppa-tahun-2012>

²⁹³⁷ Jakarta Declaration at the Fourth Ministerial Conference on the Role of Women in Development of the Organization of Islamic Cooperation Member States, Indonesian Ministry of Women Empowerment and Child Protection Website (Jakarta) 6 December 2012. Date of Access: 6 January 2013.
<http://menegpp.go.id/V2/index.php/component/content/article/8-perempuan/450-press-release-ktm-oki-ke-4-tentang-peranan-perempuan-dalam-pembangunan-sepakati-jakarta-declaration>

²⁹³⁸ Introduction Statement by the Minister of Women Empowerment and Child Protection Linda Sari in New York on 11 July 2012, Office of the United Nations High Commissioner for Human Rights Website (Geneva). Date of Access: 6 January 2013.
http://www2.ohchr.org/english/bodies/cedaw/docs/statements/StatementIndonesia_CEADW52.pdf

²⁹³⁹ Indonesia: Commission Finds Many Laws That Discriminate Against Women, Library of Congress Website (Washington) 19 September 2012. Date of Access: 6 January 2013.
http://www.loc.gov/lawweb/servlet/lloc_news?disp1_1205403336_text

reported to have been voted since 2009 including restrictions on women's mobility, dress codes or religious standards.

Also, the Annual Report of Amnesty International on the state of the world's human rights for the year 2013²⁹⁴⁰ declared that the "Indonesian parliament failed to debate and enact a domestic workers law, leaving domestic workers, the vast majority of whom are women and girls, vulnerable to economic exploitation and the denial of their rights to fair conditions of work."

Thus Indonesia has been awarded a score of 0.

Analyst: Jessica Coper

Italy: 0

Italy has partially complied with its commitment to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

Italy has not taken concrete actions to overcome barriers hindering women's full economic and social participation.

It has however taken concrete measures to expand economic opportunities for women.

On 5 October 2012, Italian Minister of Labour, Social Policies and Gender Equality Elsa Fornero signed a decree providing EUR230 million in incentives to private sector companies that hire women and young people. The incentive plan offers up to EUR12, 000 per contract extended to a woman or a youth.²⁹⁴¹

On 12 September 2012 at the 67th UN General Assembly Meeting, the European Union helped organize and support the "Equal Futures Partnership" event centered on women's political participation and economic empowerment. Moderated by United States Secretary of State Hilary Clinton, the European Union was one of the 12 founding members of this partnership specifically designed to meet many of the same commitments set at the G20 summit in Los Cabos. The European Unions' commitments include (1) Advancing women political and economic participation; (2) Addressing violence against women as a barrier to political and economic participation; (3) Advancing women's participation in the formal economy within the European Union; and (4) Working with Stakeholders and Data Gathering regarding the issue.²⁹⁴²

As a member of the European Union, Italy is held to these commitments as well. Many of which specifically address dismantling barriers to entry in the economy. However, none of the discussed programs from the UN General Assembly Meeting have yet been incorporated in Italy. This may however change pending the European Union's progress on activating programs mentioned at the Equal Futures Partnership Meeting.

²⁹⁴⁰ Annual Report 2013, Amnesty International (hhh) 2013. Date of Access: 30 June 2013.

<http://www.amnesty.org/en/region/indonesia/report-2013>

²⁹⁴¹ "Lavoro per Giovane e Donne, Attivato un Fondo di Oltre 230 Milioni di Euro, Ministero Del Lavoro E Delle Politiche Sociali 5 October, 2012 Date of Access: 30 December 2012

http://www.lavoro.gov.it/Lavoro/Notizie/20121005_DI_Fondo.htm

²⁹⁴² "Equal Futures Partnership": Women political participation and economic empowerment, European Commission 25 September 2012 Date of Access: 06 January 2013

http://europa.eu/rapid/press-release_MEMO-12-709_en.htm?locale=en

Thus Italy has been awarded a score of 0 for its work to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

Analyst: Melissa Blaustein

Japan: 0

Japan has partially complied with its commitment to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand their economic opportunities for women.

On 19 April 2013, Japanese Prime Minister Shinzo Abe unveiled the country's new Economic Growth Strategy for 2020 with the incorporation of women into the workforce as the central key to the national strategy.²⁹⁴³

Japan has taken concrete actions to overcome barriers hindering women's full economic and social participation as part of its new Economic Growth Strategy. To facilitate the re-entry of women into the workforce after having children, the Japanese government has requested that local governments establish more childcare centres, committing to eliminating waiting lists by creating 400 000 daycare spots nationwide by 2017.²⁹⁴⁴

On 19 April 2013, Prime Minister Shinzo Abe also met with the Heads of Japan's main business lobbies to request that companies extend maternity leave to three years from the current maximum of 18 months.²⁹⁴⁵ Although companies' compliance with this new maternity leave measure has been designed on a voluntary basis and not as a legal obligation, a partial implementation will still remove certain barriers to women's full economic and social participation.

However, although Prime Minister Abe has publicly stated his goal to increase the number of women in leadership positions to 30 per cent by 2020 and to expand economic opportunities for women²⁹⁴⁶, no concrete action has been taken towards this goal as of 21 July 2013.

Thus Japan has received a score of 0 for partial compliance in taking concrete steps towards removing barriers towards women's social and economic participation and to expand their economic opportunities.

Analyst: Raquel Mendes

²⁹⁴³ Japan PM reveals growth strategy based on Working Women, The Wall Street Journal, April 2013.
Date of Access: 07 July 2013

<http://online.wsj.com/article/BT-CO-20130419-701880.html>

²⁹⁴⁴ Japan PM reveals growth strategy based on Working Women, The Wall Street Journal, April 2013.
Date of Access: 07 July 2013

<http://online.wsj.com/article/BT-CO-20130419-701880.html>

²⁹⁴⁵ Japan PM reveals growth strategy based on Working Women, The Wall Street Journal, April 2013.
Date of Access: 07 July 2013

<http://online.wsj.com/article/BT-CO-20130419-701880.html>

²⁹⁴⁶ Japan PM reveals growth strategy based on Working Women, The Wall Street Journal, April 2013.
Date of Access: 07 July 2013

<http://online.wsj.com/article/BT-CO-20130419-701880.html>

Korea: +1

Korea has fully complied with its commitment to remove barriers that hinder women's full economic and social participation and to expand economic opportunities for women in G20 countries.

On 20 June 2013, the Korean Ministry of Justice announced the toughening of the country's laws on sex offenders. The new law now allows legal action to proceed against sexual offenders without the victim having to personally press charges and now allowing family and friends to take legal action on behalf of the victim.²⁹⁴⁷ The new law was designed with the aim of ensuring that victims, especially female victims, are not intimidated by offenders not to press charges.

On 11 June 2013, Conservative lawmakers alongside with the Ministry of Defense stated their support for the return of a military service law that was ruled to be unconstitutional 14 years ago because the law gave incentives to job seekers with a military background, effectively disadvantaging women and individuals with disabilities from entering the job market.²⁹⁴⁸ In opposition of the bill, the Minister of Gender Equality and Family of the Republic of Korea Yoonsun Cho voiced her opposition to the re-introduction of the law with the support of ruling Saenuri Party lawmakers on the parliamentary committee for gender and family affairs. Saenuri Rep. Kim Hyun-sook stated, "(The system) has already been ruled unconstitutional by the Constitutional Court,"²⁹⁴⁹ she told reporters in a press briefing, emphasizing that the Court had already deemed the law to discriminate against women and the disabled. "Reviving [the law] would spark backlash from women and the disabled, and create social conflict, so it requires caution,"²⁹⁵⁰ Kim Hyun-sook added.

From June 3 to 4 2013, the Head of UN Women Lakshmi Puri travelled to South Korea and held meetings with the Minister and Vice-Minister for Gender Equality and Family to discuss ways of prioritizing investments in gender equality and women's empowerment to promote the participation of women in all spheres of society.²⁹⁵¹ The Head of UN Women also met with members of South Korea's National Assembly where, given the recent election of South Korea's first female president Park Geun-hye, discussions focused on the topic of increasing women's

²⁹⁴⁷ South Korea makes sex crime law tougher, The Global Post (Seoul, South Korea). 20 June 2013. Date of Access: 23 June 2013 <http://www.globalpost.com/dispatch/news/regions/asia-pacific/south-korea/130620/south-korea-makes-sex-crime-laws-tougher>.

²⁹⁴⁸ Bill aims to revive incentives for job seekers with military background, Yonhap News Agency (Seoul, South Korea). 11 June 2013. Date of Access: 24 June 2013 <http://english.yonhapnews.co.kr/national/2013/06/11/0302000000AEN20130611002151315.HTML>.

²⁹⁴⁹ Gender equality ministry opposes military service merits, Globalpost. (Seoul, South Korea). 11 June 2013. Date of Access: 23 June 2013. <http://www.globalpost.com/dispatch/news/yonhap-news-agency/130613/gender-equality-ministry-opposes-military-service-merits>

²⁹⁵⁰ Gender equality ministry opposes military service merits, Globalpost. (Seoul, South Korea). 11 June 2013. Date of Access: 23 June 2013. <http://www.globalpost.com/dispatch/news/yonhap-news-agency/130613/gender-equality-ministry-opposes-military-service-merits>

²⁹⁵¹ Lakshmi Puri visits Malaysia, Japan and the Republic of Korea, UN Women. 28 May 2013. Date of Access: 18 June 2013. <http://www.unwomen.org/2013/05/lakshmi-puri-visits-malaysia-japan-korea/>.

political and economic participation, as well as increasing women's participation in peace building and ending violence against women.²⁹⁵²

Shortly after the G20 meeting in June 2012, the 2012 Korean Women's International Network (KOWIN) was held in Yeosu City in Jeonnam Province from 28 to 31 August 2012. Korean Minister Kim Kum-lae of the Minister of Gender Equality and Family attended the event in which 600 Korean women participated. KOWIN was established in 2001 by the Ministry of Gender Equality and aims to bring together women who are "focused on strengthening the capabilities of Korean women with thematic discussions, networking events, and cultural tours of the district."²⁹⁵³

On 10 and 11 October 2012, the Korean Ministry of Gender Equality and Family partnered with the Asia-Pacific Broadcasting Union (ABU) to host the 2012 Seoul Gender Media Forum. This event brought together leading female media and IT professionals, gathered "to take stock of the current status of women in the media and IT industry, identify strategies and good practices for reaching a higher representation of women in those industries, and work on a fairer female portrayal in the media, advertising, and movies."²⁹⁵⁴

On 16 and 17 October 2012, the Media Forum was followed by the General Assembly meeting of the ABU members where a draft of a Declaration on Empowering Women was created.²⁹⁵⁵ This declaration is intended to create new partnerships to advance the empowerment of girls and women through inclusion in the Media and ICT fields and highlights Korea's commitment to promoting women's leadership in both the public and corporate sectors.

In November 2012 the Economically Active Population Survey (EAPS) was released and reported the participation rate of women in the Korean labour force at 50 per cent. Figures in November 2011 reported a participation rate of 49.9 per cent. Looking at the national unemployment rates for females, the rate fell only slightly to 2.4 per cent in November 2012 from 2.5 per cent in November 2011.²⁹⁵⁶

Despite only small changes in the female labour participation rate, the Korean government is taking concrete steps to advance "gender equality in all areas, including skills training, wages and salaries, treatment in the workplace and responsibilities in care-giving,"²⁹⁵⁷ through various economic policies. Listed within the 2012 Key Economic Policies, the Korean government has

²⁹⁵² Lakshmi Puri visits Malaysia, Japan and the Republic of Korea, UN Women. 28 May 2013. Date of Access: 18 June 2013. <http://www.unwomen.org/2013/05/lakshmi-puri-visits-malaysia-japan-korea/>.

²⁹⁵³ Expo 2012 Yeosu Korea. (Yeosu) February 2012. Date of Access: 1 January 2013. <http://2012expo.wordpress.com/2012/02/01/korean-womens-international-conference-held-in-yeosu/>

²⁹⁵⁴ Women With the Wave. ABU 2012 (Seoul) October 2012. Date of Access: 30 December 2012. <http://www.abu2012seoul.com/s81.html>

²⁹⁵⁵ Women With the Wave. ABU 2012 (Seoul) October 2012. Date of Access: 30 December 2012. <http://www.abu2012seoul.com/s81.html>

²⁹⁵⁶ Economically Active Population Survey in November 2012, Employment Statistics Division Population & Social Statistics Bureau Statistics Korea. 12 December 2012. Date of Access: 30 December 2012. <http://kostat.go.kr/portal/english/news/1/1/index.board?bmode=read&bSeq=&aSeq=269216&pageNo=1&rowNum=10&navCount=10&currPg=&sTarget=title&sTxt=>

²⁹⁵⁷ G20 Leaders Declaration. G20 Information Centre (Los Cabos, Mexico) June 2012. Date of Access: 31 December 2012. <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

pledged its support to facilitate the employment of women through “retraining programs, senior job creation projects, and improved substitute programs for maternity leave.”²⁹⁵⁸

Additionally the Korean Ministry of Strategy and Finance unveiled a Tax Revision Bill 2012 aimed at creating more jobs, boosting domestic demand and supporting middle and low income classes. There will be a new income tax deduction for educational expenses aimed at covering fees for daycare and kindergartens.²⁹⁵⁹

On 25 September 2012, the Korean Government released the 2013 Budget Proposal where customized welfare schemes have been included that are meant to increase the access to childcare benefits for families whose income falls between the 0 and 70 per centile. Additionally “public daycare centers will be increased by more than 50 per cent, and more regional childcare centers and afterschool centers will be available.”²⁹⁶⁰

On 18 October 2012, the government established the 2013 budget proposal for the Korean Ministry of Gender Equality and Family in the amount of WON524 billion. Main contents of the budget proposal outline expanded support for childcare and enhanced support for women and children who are victims of sexual violence by expanding the number of support facilities and shelters. The budget also cites increased support for job creation for women who have been absent from economic activity for some years, expanding infrastructure for re-employment centers and agencies by increasing funding from WON28.3 billion in 2012 to WON34.6 billion in 2013.²⁹⁶¹

The Korean Ministry of Gender Equality and Family is the main government entity charged with enhancing women’s status through policies and laws and the government’s funding and investment in the Ministry is aligned with its commitment to promote women’s leadership and to promote a culture of gender equality and empowerment.

On 26 December 2012, the Korea Employer’s Federation reported that the Prime Minister’s Office and the Ministry of Gender Equality and Family will work together to have more high-ranking female officials within ministries, public companies and other state run agencies.²⁹⁶² The report also referenced increased support from the government for maternity leave. “The government will pay WON400,000 (USD350) per month as labour costs to medium-sized

²⁹⁵⁸ 2012 Key Economic Policies December 2012, Ministry of Strategy and Finance (Seoul) 25 January 2012. Date of Access: 30 December 2012. <http://english.mosf.go.kr>.

²⁹⁵⁹ Tax Revision Bill, 2012. Economic Policy, Ministry of Strategy and Finance. Date of Access: 30 December 2012. <http://english.mosf.go.kr>.

²⁹⁶⁰ 2013 Budget Proposal. Budget & Treasury. Ministry of Strategy and Finance. Date of Access: 30 December 2012. <http://english.mosf.go.kr>.

²⁹⁶¹ MOGEF’s 2012 Budget. Press and Public Affairs. Ministry of Gender Equality and Family (Seoul) 18 October 2012. Date of Access: 1 January 2013. http://english.mogef.go.kr/sub03/sub03_11.jsp?menuID=euc0100&id=euc0100&cate=&key=&search=&order=&desc=asc&year=&smoth=&sdate=&eyear=&emonth=&edate=&deptcode=&menuID=euc0100&pg=1&mode=view&idx=6887.

²⁹⁶² More Women to get High-Ranking Positions, Korea Employer’s Federation. (Seoul) 26 December 2012. Date of Access: 1 January 2013. http://www.kefplaza.com/kef/kef_eng_intro_7_1.jsp?num=4370&pageNum=0.

companies if they hire temporary workers to fill the female staffers' vacancy."²⁹⁶³ As of 1 January 2013, this report had not yet been officially released on the Korean Prime Minister's website.

Thus Korea has been awarded a score of +1 for its promotion of gender equality by removing barriers that hinder women's full economic and social participation and by expanding economic opportunities for women.

Analyst: Rebecca Wilkinson-Blanc

Mexico: +1

Mexico has fully complied with its commitment to remove barriers that hinder women's full economic and social participation and to expand economic opportunities for women.

On 20 May 2013, Mexican President Enrique Peña Nieto announced the 2013-2018 "National Development Plan"²⁹⁶⁴, centering gender equality which encompasses the removal of barriers that hinder economic and social participation as well as the expansion of women's economic activities as one of the three strategic transversal axes for all of the federal programs that are to be implemented in his administration.

Mexico has taken concrete actions to remove barriers hindering women's full economic and social participation.

On 8 January 2013, the Mexican Ministry of Social Development announced that the Federal Budget of 2013 would allocate MXN3.5 billion to pursue and expand the program "Estancias Infantiles"²⁹⁶⁵ which provides child care for women with children between 11 months and 3 years. It is expected that 300 000 working or studying women will benefit through this program in 2013.

On 3 December 2012²⁹⁶⁶, then elected Mexican President Enrique Peña Nieto announced the creation of full-time school programs that will permit working mothers to work full time while their kids are in school.

On 2 December 2012, then elected Mexican President Enrique Peña Nieto signed, along with the representatives of Congress, the "Pact for Mexico"²⁹⁶⁷ which includes two strategies on the allocation of resources for women in 2013: Programa para jefas the familia and Equidad de

²⁹⁶³ More Women to get High-Ranking Positions, Korea Employer's Federation. (Seoul) 26 December 2012. Date of Access: 1 January 2013.

http://www.kefplaza.com/kef/kef_eng_intro_7_1.jsp?num=4370&pageNum=0.

²⁹⁶⁴ Presentacion del Plan Nacional de Desarrollo 2013-2018. Presidencia de la Republica. 20 May 2013. Date of Access: 27 June 2013. <http://www.presidencia.gob.mx/articulos-prensa/presentacion-del-plan-nacional-de-desarrollo-2013-2018/>

²⁹⁶⁵ Comunicado de Prensa: Beneficios del Programa Estancias Infantiles. Presidencia de la Republica 8 January 2013. Date of Access: 10 January 2013.

<http://www.presidencia.gob.mx/articulos-prensa/beneficios-del-programa-estancias-infantiles/>

²⁹⁶⁶ Comunicado de Prensa: Mi gobierno tiene un compromiso con las mujeres. Presidencia de la República. 3 December 2012. Date of Access: 3 January 2013

<http://www.presidencia.gob.mx/articulos-prensa/mi-gobierno-tiene-un-claro-compromiso-con-las-mujeres-de-mexico-enrique-pena-nieto/>

²⁹⁶⁷ Comunicado de Prensa: El Presidente Enrique Peña Nieto Firma el Pacto por México, Presidencia de la Republica. 2 December 2012. Date of Access: 3 January 2013.

<http://pactopormexico.org/acuerdos-presupuestales-2013/>

Genero. Both strategic plans comprise health and education programs for women as well as education initiatives to fight gender inequalities.

On 29 November 2012, Former Mexican President Felipe Calderon promulgated an integral Labour Reform that favours women by introducing flexible forms of hiring that suit women better and enhancing women rights for maternity leave, and increases sanctions for any type of gender inequality and harassment.²⁹⁶⁸

Mexico has taken concrete actions to expand economic opportunities for women.

On 10 January 2013, Mexican President Enrique Peña Nieto announced the launch of the program Seguro para Jefas de Familia. With a MXN400 million budget planned for in the 2013 federal budget, the program provides a life insurance for female-headed households.

On 28 November 2012, then elected Mexican President Enrique Peña Nieto announced a USD80 million fund to support SMEs as well as specific loans to entrepreneur women.²⁹⁶⁹

Thus Mexico has been awarded a score of +1 for its promotion of gender equality by removing barriers that hinder women's full economic and social participation and expanding economic opportunities for women.

Analyst: Alejandra Plaschinski

Russia: +1

Russia has fully complied with the commitment on ensuring social and economic opportunities for women.

Russia has taken actions to remove barriers that hinder women's full economic and social participation, however several changes to the legislation are work in progress.

On 6 August 2012, at a meeting on coal industry development, Russian Prime Minister Dmitry Medvedev defined Russian legislation concerning women's labor as "very conservative". He said that a "Government resolution with a list of jobs from which women are banned" must be changed as it "would enable women to earn more and eliminate the current labor shortage".²⁹⁷⁰ However, the list of heavy and dangerous jobs has not been changed yet.²⁹⁷¹

On 5 December 2012, Russian Deputy Prime Minister Olga Golodets said that the Government will draft an amendment to the legislation, so that the entire period of maternity leave would be taken into account for women's retirement purposes. "Under the current law, the Pension Fund

²⁹⁶⁸ Comunicado de Prensa: Las mujeres trabajadoras gozarán de mayores oportunidades y equidad con la reforma laboral. Secretaría del Trabajo y Previsión Social. 4 November 2012. Date of Access: 5 January 2013. http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2012/nov/bol_104.html

²⁹⁶⁹ El País que Hereda Enrique Peña Nieto, BBC Mundo, 28 November 2012. Date of Access: 5 January 2013. http://www.bbc.co.uk/mundo/noticias/2012/09/120831_elecciones_mexico_pais_hereda_pena_nieto_epn.shtml

²⁹⁷⁰ Prime Minister Dmitry Medvedev holds a meeting on measures to develop the coal industry in Leninsk-Kuznetsky, Russian Government 6 August 2012. <http://www.government.ru/eng/docs/20000/>.

²⁹⁷¹ Government Resolution No. 162 of 25 February 2000, Government of Russia 25 February 2000. <http://government.consultant.ru/page.aspx?650487>.

compensates mothers only for three years of maternity leave, regardless of the number of children”.²⁹⁷² The changes are subject to approval of the Parliament.

On 29 December 2012, Russian President signed a law changing legislation on social insurance for temporarily disabled persons and for women on maternity leave. The law is aimed at streamlining accounting procedures and strengthening social insurance. For example, the Russian Fund of Social Insurance will be paying temporary disability allowances and child benefits if an employer, responsible for it, cannot be found.²⁹⁷³

Russia has taken actions to expand economic opportunities for women.

On 20 December 2012, the Russian Ministry of Labour and Social Security created the Ministry’s Coordinating Council on Gender Issues “in order to comply with the Russia’s international commitments made in the framework of the Convention on the Elimination of All Forms of Discrimination Against Women and other international documents ratified by Russia, strengthening cooperation with international and civil society organizations”. The Council is responsible for analyzing activities on ensuring gender equality in Russia and drafting proposals on complex measures on ensuring gender equality and complying with international commitments, and attracting civil society organizations to conducting state policy on ensuring equal rights of men and women in Russia.²⁹⁷⁴

On 24 December 2012, Deputy Prime Minister Golodets said that “the Government was planning measures to make higher education more accessible to women” with children, so that they “will have an opportunity to receive higher education on a sole source basis” (with no entry exam).²⁹⁷⁵

On 4-15 March 2013, Russian Government representatives participated in the Fifty-seventh session of the Commission on the Status of Women,²⁹⁷⁶ which is “the principal global policy-making body dedicated exclusively to gender equality and advancement of women”.²⁹⁷⁷

Russia has taken actions to remove barriers that hinder women’s full economic and social participation and to expand economic opportunities for women. Thus, it has been awarded score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with its commitment to remove the barriers that hinder women’s full economic and social participation and to expand economic opportunities for women.

The Saudi Government has taken concrete actions to expand economic opportunities for women.

²⁹⁷² Deputy Prime Minister Olga Golodets interviewed by Rossiiskaya Gazeta, Russian Government 5 December 2012. <http://www.government.ru/eng/docs/21742/>.

²⁹⁷³ A law on social insurance for temporarily disabled persons and for women on maternity leave, changed, Russian President 31 December 2012. <http://www.kremlin.ru/acts/17253>.

²⁹⁷⁴ Order No. 611 of 20 December 2012, Russian Ministry of Labour and Social Security 20 December 2012. <http://www.rosmintrud.ru/docs/mintrud/orders/16>.

²⁹⁷⁵ Deputy Prime Minister Olga Golodets holds a briefing for journalists, Russian Government 24 December 2012. <http://www.government.ru/eng/docs/22068/>.

²⁹⁷⁶ Commission on the Status of Women. Fifty-seventh session. 4 March – 15 March 2013. List of delegations, UN. <http://www.un.org/womenwatch/daw/csw/csw57/csw-provisional-list-of-participants.pdf>.

²⁹⁷⁷ Commission on the Status of Women, UN. <http://www.un.org/womenwatch/daw/csw/index.html>.

As of 1 January 2013, the Saudi Government will grant a double credit for every Saudi woman hired over a Saudi male candidate, developing an incentive for local firms to hire more female workers.^{2978,2979}

On 6 August 2012, the Saudi Industrial Property Authority announced that it was working towards the establishment of the first industrial city suitable for women to work in.²⁹⁸⁰ The report stated that the development of 40 such industrial cities is to be expected in the next five years.

The Saudi Government has also taken concrete action to remove barriers that hinder women's full economic and social participation.

On 10 January 2013, Saudi King Abdullah appointed 30 women on the Shura Advisory Council, the formal advisory body to the King, after establishing a 20 per cent gender quota for the Advisory Council.²⁹⁸¹

Saudi Arabia has thus been awarded a score of +1.

Analyst: Alejandra Plaschinski

South Africa: +1

South Africa has fully complied with its commitment to take action to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

South Africa has taken concrete action to overcome barriers hindering women's full economic and social participation.

In its 2012-2016 Integrated Youth Development Strategy which was released in the first half of 2012, the South African Government announced the implementation of preferential procurement and employment policies for females and youth starting 1 January 2013.²⁹⁸²

South Africa has also taken concrete action to expand economic opportunities for women.

It has pursued its efforts in implementing the Gender Transformation United Nations Program to achieve gender equality and to promote women's empowerment in the economic and social

²⁹⁷⁸ Women in Saudi Arabia ask for transparency, agree on self-empowerment: W4Women Riyadh. July 1 2013. Date of Access: June 21 2013.

<http://www.wamda.com/2013/07/women-in-saudi-arabia-reveal-the-positives-and-negatives-w4women-riyadh>

²⁹⁷⁹ Women's Solar Seminar Presentation. Saudi Arabia Solar Industry Assosiation. MahaShirah, Marketing Manger, SASIA. May 13 2013. Date of Access: June 21 2013.

http://saudi-sia.com/wp-content/uploads/2013/05/WSS_preentation.pdf

²⁹⁸⁰ MODON" begins Planning and Development for the First Industrial City being readied for Women in the Kingdom. The Saudi Industrial Property Authority. August 6 2012. Date of Access: January 3 2013.

<http://www.modon.gov.sa/english/mediacenter/news/pages/modonplansdevelopmentwomonic.aspx>

²⁹⁸¹ Saudi king names women to advisory council. Aljazeera. Middle East. January 11 2013. Date of Access: January 13 2013

<http://www.aljazeera.com/news/middleeast/2013/01/2013111234624261971.html>

²⁹⁸² The integrated Youth Development Strategy (IYDS) of South Africa 2012-2016 (South Africa) March 2012. Date of access: 5 January 2013.

http://www.nyda.gov.za/images/stories/documents/Draft_per_cent20IYDS_per_cent20March_per_cent202012_per_cent20Version2.pdf

spheres in the second half of 2012. Some of the country's 2012 and 2013 on-going projects include enterprise development for women SME owners, research on inclusive finance and development of economic opportunities for rural women in the Green Economy.²⁹⁸³

Thus South Africa has been awarded a score of +1 for taking action to remove the barriers hindering women's full economic and social participation and to expand economic opportunities for women since the Los Cabos Summit.

Analyst: Rym Ghouma

Turkey: -1

Turkey has failed to comply with its commitment to take concrete actions to overcome the barriers hindering women's full economic and social participation and to expand economic opportunities for women.

Despite developing innovative policies to encourage businesses to hire and retain female talent in the past two years, Turkey has not announced or taken any concrete action to overcome the barriers hindering women's full economic and social participation and to expand economic opportunities for women since the Los Cabos Summit on 18-19 June 2012.

On 1 November 2012, Turkish Minister of Family and Social Policies Fatma Şahin stressed that hosting the 30th Anniversary Event of the CEDAW Committee in Istanbul was an indication of Turkey's commitment to women's rights.²⁹⁸⁴ Turkish Minister of Family and Social Policies Fatma Şahin stressed the central role of women in driving change and development, as well as the importance of having a range of actors such as women's organizations, the private sector, and universities involved in the transformation. She also recognized that female employment and participation in local politics was lagging despite egalitarian laws.²⁹⁸⁵

In its Turkey 2012 Progress Report published on 10 October 2012, the European Commission reported that little progress had been made in the field of equal opportunities between women and men.²⁹⁸⁶ The European Union recorded that new measures to improve work-life balance were not fully in place as of 10 October 2012 and that existing measures mainly focus on women rather than on a gender mainstreaming approach. It also reported that full enforcement of the principle of equal pay for equal value of work needed to be stepped up including in sectors not covered by the labour law²⁹⁸⁷ and that a full gender mainstreaming approach in policy and law-making had yet to be developed across the public administration.²⁹⁸⁸

²⁹⁸³ UNDP Current Country Programs. UNDP. Date of access: 5 January 2013.

<http://www.undp.org.za/the-country-programme/current-programmes-undp-sa>

²⁹⁸⁴ Welcome Message of the Minister Ms. Fatma Sahin for the Anniversary Event of the CEDAW. Date of access 5 January 2013.

www.cedawistanbul.com/EN

²⁹⁸⁵ Women's Rights in Turkey. Date of access 5 January 2013.

<http://www.turkishpolicy.com/dosyalar/files/2012-1-FatmaSahin.pdf>

²⁹⁸⁶ Turkey 2012 Progress Report. European Commission. October 2012. Date of access 6 January 2013.

http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/tr_rapport_2012_en.pdf

²⁹⁸⁷ Turkey 2012 Progress Report. European Commission. October 2012. Date of access 6 January 2013.

http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/tr_rapport_2012_en.pdf

²⁹⁸⁸ A 2020 Perspective for Women in Turkey. Date of access 5 January 2013.

<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&language=EN&reference=A7-0138/2012>

Therefore Turkey has been awarded a score of -1 for its lack of concrete actions in overcoming the barriers hindering women's full economic and social participation and expanding economic opportunities for women.

Analyst: Rym Ghouma

United Kingdom: +1

The United Kingdom has fully complied with its commitment to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

The United Kingdom has taken concrete actions to overcome barriers hindering women's full economic and social participation.

In June 2012, the House of Lords launched an inquiry into women on boards, designed "to assess the best way forward to improve gender diversity on boards, the benefits that such diversity brings, and what role the European institutions should play in delivering any required changes."²⁹⁸⁹

The Equality and Human Rights Commission then wrote a written response in July 2012 and released an official written report on 2 November 2012. The report and response mapped out a plan of action to promote more female board members across the country, creating a "Series of long term sustainable targets for 2017 and beyond." Prime Minister David Cameron has also publicly stated he would like to see more companies setting out plans for women on boards.²⁹⁹⁰

Additionally, in November 2012, the Government's Equalities Office released a report on the Think, Act, Report Initiative, "a flexible, voluntary approach that encourages businesses to think about gender equality, take steps to promote equality in their workplace and then share their progress publicly."²⁹⁹¹ Think, Act, Report was founded in 2011 and its extensive one year progress report details the current status of the gender gap in the United Kingdom and ways to effectively combat it. According to the report, over 10 per cent of the United Kingdom's workforce is now employed by companies using Think, Act, Report after just one year.²⁹⁹²

²⁹⁸⁹ Written evidence to the House of Lords - European Union Internal Market, Infrastructure and Employment Sub-Committee – inquiry into Women on Boards, United Kingdom Equality and Human Rights Commission 2 November 2012 Date of Access: 6 January 2013
<http://www.equalityhumanrights.com/legal-and-policy/consultation-responses/written-evidence-to-the-house-of-lords-eu-internal-market-infrastructure-and-employment-sub-committee-inquiry-into-women-on-boards/>

²⁹⁹⁰ Written evidence to the House of Lords - European Union Internal Market, Infrastructure and Employment Sub-Committee – inquiry into Women on Boards, United Kingdom Equality and Human Rights Commission 2 November 2012 Date of Access: 6 January 2013
<http://www.equalityhumanrights.com/legal-and-policy/consultation-responses/written-evidence-to-the-house-of-lords-eu-internal-market-infrastructure-and-employment-sub-committee-inquiry-into-women-on-boards/>

²⁹⁹¹ Think Act Report: One Year On, United Kingdom Government Equalities Office 13 November 2012 Date of Access: 6 January 2013
<http://www.homeoffice.gov.uk/publications/equalities/womens-equality/gender-equality-reporting/think-act-report-annual-report?view=Binary>

²⁹⁹² Think Act Report: One Year On, United Kingdom Government Equalities Office 13 November 2012 Date of Access: 6 January 2013

On 12 September 2012 at the 67th UN General Assembly Meeting, the European Union helped organize and support the “Equal Futures Partnership” event centered on women’s political participation and economic empowerment. Moderated by United States Secretary of State Hilary Clinton, the European Union was one of the 12 founding members of this partnership, designed specifically to meet many of the same commitments set at the G20 summit in Los Cabos. The European Union’s commitments include: (1) Advancing women political and economic participation; (2) Addressing violence against women as a barrier to political and economic participation; (3) Advancing women’s participation in the formal economy within the European Union; and (4) Working with Stakeholders and Data Gathering regarding the issue.²⁹⁹³ As a member of the European Union, the United Kingdom is held to these commitments as well. Many of which specifically address dismantling barriers to entry in the economy.

Thus the United Kingdom has been awarded a score of +1 for its work to take concrete actions to overcome barriers hindering women’s full economic and social participation and to expand economic opportunities for women.

Analyst: Melissa Blaustein

United States: +1

The United States has fully complied with its commitment to take concrete actions to overcome barriers hindering women’s full economic and social participation and to expand economic opportunities for women.

The United States has taken concrete actions to overcome barriers hindering women’s full economic and social participation.

On 31 December 2012, the United States Congress voted to extend President Obama’s 2009 tax credits that support working families including the Earned Income Tax Credit (EITC), and the Child Tax Credit, offering refunds to families with children and providing support to single mothers.²⁹⁹⁴

The United States has taken concrete actions to expand economic opportunities for women.

On 24 September 2012 at the United Nations General Assembly meeting, US Secretary of State Hilary Clinton spearheaded a new initiative in partnership with 11 other founding countries called “the Equal Futures Partnership” with the goal of expanding women’s political participation.

As a result of this partnership, the United States has released a number of commitments which they have begun to make progress on including: (1) Opening doors to quality education and high paying career opportunities in science, technology, math and engineering; (2) Promoting civic education, public education and public leadership for girls; (3) Breaking the cycle of violence and

<http://www.homeoffice.gov.uk/publications/equalities/womens-equality/gender-equality-reporting/think-act-report-annual-report?view=Binary>

²⁹⁹³ “Equal Futures Partnership”: Women political participation and economic empowerment, European Commission 25 September 2012 Date of Access: 06 January 2013 [http://europa.eu/rapid/press-release MEMO-12-709_en.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-12-709_en.htm?locale=en) -- full consultation response

²⁹⁹⁴ Workbook: Everything You Need to Know About the Fiscal Cliff, Washington Post 01 January 2013 Date Accessed: 06 January 2013

<http://www.washingtonpost.com/blogs/wonkblog/wp/2013/01/01/wonkbook-everything-you-need-to-know-about-the-fiscal-cliff-deal/>

ensuring economic security for survivors of violence; and (4) Expanding support for women entrepreneurs. The United States has key points of action for each goal of the partnership.²⁹⁹⁵

Thus, the United States has been awarded a score of +1 for its work to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

Analyst: Melissa Blaustein

European Union: +1

The European Union has fully complied with its commitment to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

On 14 November 2012, the European Commission introduced a legislating that aims to accelerate the progress towards a better gender balance on the corporate boards of Europe. The "Women on Boards" proposal introduced a 40 per cent target for women in non-executive board-member positions in publicly listed companies, with the exception of small and medium enterprises (SMEs). Currently, boards are male-dominated, with 85 per cent of non-executive board members and 91.1 per cent of executive board members being male, while women make up only 15 per cent and 8.9 per cent respectively (November 2012 figures)²⁹⁹⁶. Mid-term figures released by the Commission in late January 2013 show that while the share of women on company boards is steadily increasing in a majority of European Union countries; Ireland, Bulgaria and Poland have recorded no increase.²⁹⁹⁷

Equality between women and men is one of the fundamental principles of Community law. The European Union's objectives on gender equality are to ensure equal opportunities and equal treatment for men and women and to combat any form of discrimination on the grounds of gender²⁹⁹⁸. The European Commission's five-year strategy on equality (from 2010 to 2015) promotes equality between women and men in Europe. The gender equality strategy involves a series of actions based on five priorities; three of which directly relate to the social and economic equality: the economy and labor market, equal pay and equality in senior positions²⁹⁹⁹.

²⁹⁹⁵ Fact Sheet: The Equal Futures Partnership to Expand Women's Political and Economic Participation, The White House, 24 September 2012, Date Accessed: 3 January 2013

<http://www.whitehouse.gov/the-press-office/2012/09/24/fact-sheet-equal-futures-partnership-expand-women-s-political-and-econom>

²⁹⁹⁶ Women on Boards: Commission proposes 40 per cent objective. European Commission. Date of Access: 5 January 2013.

http://ec.europa.eu/justice/newsroom/gender-equality/news/121114_en.htm

²⁹⁹⁷ No change for Ireland as Europe sees more women on boards. European Commission. Date of Access: 25 January 2013

http://ec.europa.eu/ireland/press_office/news_of_the_day/irish-women-on-boards_en.htm

²⁹⁹⁸ Summaries on European Union legislation. European UnionROPA. Date of Access: 5 January 2013.

http://europa.eu/legislation_summaries/employment_and_social_policy/equality_between_men_and_wome_n/index_en.htm

²⁹⁹⁹ Gender Action Plan. European Grid Infrastructure. Date of Access: 5 January 2013

<http://www.egi.eu/about/egi-inspire/gap/>

Thus the European Union has been awarded a score of +1 for its work to take concrete actions to overcome barriers hindering women's full economic and social participation and to expand economic opportunities for women.

Analyst: Nanayaa Appenteng

13. Employment: Combating Unemployment

Commitment [#35]

“We therefore endorse the recommendations of our Labor and Employment Ministers to urgently combat unemployment through appropriate labor market measures and fostering the creation of decent work and quality jobs, particularly for youth and other vulnerable groups, who have been severely hit by the economic crisis”

Los Cabos Summit Final Declaration

Assessment

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

Background

At the Pittsburgh Summit in 2009 the G20 leaders stated that quality jobs must be put at the heart of the recovery.³⁰⁰⁰ To ensure the G20 continued with a focus on employment policies, as chair of the Pittsburgh Summit, the United States asked its Secretary of Labor to “invite the G20 Employment and Labor Ministers to meet as a group in early 2010 consulting with labor and business and building on the upcoming OECD Labour and Employment Ministerial meeting on the jobs crisis.”³⁰⁰¹

³⁰⁰⁰ G20 Leaders Statement: The Pittsburgh Summit.
<http://www.g20.utoronto.ca/2009/2009communique0925.html>.

³⁰⁰¹ G20 Leaders Statement: The Pittsburgh Summit.
<http://www.g20.utoronto.ca/2009/2009communique0925.html>.

On 21 April 2010, the G20 Labour Ministers met for the first time in Washington and adopted recommendations to G20 Leaders.³⁰⁰²

On 27 September 2011, at the second meeting the G20 Labour and Employment Ministers recommended to set up “an intergovernmental task force on employment, composed of the G20 representatives, with the contribution of relevant international organisations and consulting social partners as appropriate.” The task force was designed to serve as a “forum to exchange mutual experiences, best practices and policy responses to the challenges faced by G20 countries with respect to employment.”³⁰⁰³

At the Cannes Summit the G20 leaders decided “to set up a G20 task force which will work as a priority on youth employment.”³⁰⁰⁴

On 17-18 May 2012, the G20 Labour and Employment Ministers held a meeting in Guadalajara, Mexico to discuss “policies to create quality employment, successful strategies to promote youth employment and options to generate jobs linked to green growth.”³⁰⁰⁵

Commitment Features

At the meeting in Guadalajara, Mexico the G20 Labour and Employment Ministers adopted the conclusions on the 1) Creation of quality employment and decent work; 2) Promotion of Youth Employment and 3) Inclusive green growth as quality employment generator, in the context of sustainable development. They also adopted the Task Force conclusions of the G20 Strategies on Youth Employment. It was emphasized that “while many of the problems currently faced by youth in G20 labour markets have longstanding roots, many have worsened since the beginning of the global financial crisis. In some cases, young women and men are now facing the risk of long-lasting scarring effects.”³⁰⁰⁶

The following are areas of action for G20 members singled out by the Ministers’ Conclusions:

- Strengthen key aspects of the education and training systems to prepare young people for the needs of the labour market.
- Promote vocational training, including apprenticeships and internships.
- Encourage firms to offer young people open-ended (formal) job contracts that provide access to social security and career prospects.
- Special policies for youth in developing countries where the majority of the workforce is in the informal sector:

³⁰⁰² G20 Labor and Employment Ministers' Recommendations to G20 Leaders. <http://www.g20.utoronto.ca/2010/g20lab0421.html>.

³⁰⁰³ G20 Labour and Employment Ministers' Conclusions, 27 September 2011. <http://www.g20.utoronto.ca/2011/2011-labour-110927-en.html>.

³⁰⁰⁴ Communiqué: G20 Leaders Summit, 4 November 2011. <http://www.g20.utoronto.ca/2011/2011-cannes-communique-111104-en.html>.

³⁰⁰⁵ Labour and Employment Ministers Conclusions (including the Task Force Conclusions of the G20 Strategies on Youth Employment). <http://www.g20.utoronto.ca/2012/2012-0518-labour.pdf>.

³⁰⁰⁶ Labour and Employment Ministers Conclusions (including the Task Force Conclusions of the G20 Strategies on Youth Employment). <http://www.g20.utoronto.ca/2012/2012-0518-labour.pdf>.

- Make young workers aware of employment opportunities by providing information, vocational guidance and support for those interested.
- Improve the oversight of working conditions in those areas of the informal sector where youth are particularly vulnerable.
- Develop programmes that help young workers who have migrated from rural areas to make the transition to an urban environment. This could include programmes that provide training, job search techniques, and that help fight discrimination against new domestic migrant workers.
- Develop an infrastructure for delivering, testing and certifying short-term modular employability skills.
- Encourage self-employment and the provision of micro-credit.
- Promote entrepreneurship as a way for youth to join the formal economy.
- Efforts should be made to provide specialised training, mentoring and access to credit
- Develop supplementary employment schemes for seasonal unemployment.
- Develop active labour market information systems that cater to the need of the informal sector.
- Aim to extend social security measures for workers in the informal sector.
- Promote co-operatives.

To achieve full compliance the G20 member must take actions to combat unemployment through appropriate labor market measures and foster the creation of decent work and quality jobs with particular emphasis on youth unemployment.

Scoring Guidelines

-1	Member does not take actions to combat unemployment through appropriate labor market measures and foster the creation of decent work and quality jobs
0	Member takes actions to combat unemployment through appropriate labor market measures and foster the creation of decent work and quality jobs BUT does not take actions directly aimed at youth
+1	Member takes actions to combat unemployment through appropriate labor market measures and foster the creation of decent work and quality jobs AND takes actions directly aimed at youth

Argentina: +1

Argentina has fully complied with the commitment on employment. Argentina has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 5 July 2012, Argentinian Labour Minister Carlos Tomada signed a MoU to launch “Third Decent Work Programme 2012-2015” (PTDP) with Head of Industrial Union of Argentina (UIA), Secretary General of the Building Workers Union (UOCRA) and Head of ILO office in Argentina. Labour Minister confirmed his Ministry’s commitment to promote decent work in Argentina. The

main objectives of PTDP are to reduce informal employment, to develop quality jobs, to working rights protection and extend social protection for workers.³⁰⁰⁷

On 15 August 2012, Labour Minister and Head of the Secretariat of Planning for the Prevention of Drug Addiction and Action against Drug Trafficking (SEDRONAR) Rafael Bielsa signed an agreement to improve the employment and social integration of drug addict persons. The Labour Ministry through the Employment and Training Insurance program will provide the financial assistance for these persons to finish schools, get professional education and jobs.³⁰⁰⁸

On 15 October 2012, President of Argentina launched the Empleartec Programme (2012-2015) aimed at enhancing employment in the software sphere. The Ministry of Labour, the Chamber of Business for Software and Information Services of Argentina (CESSI) and private business will conduct free seminars and training courses³⁰⁰⁹ across the country for more than 30,000 workers along 3 years.³⁰¹⁰ The Argentinian Government will invest ARS50 million (about USD10 million) to Empleartec.³⁰¹¹

On 19 October 2012, Labour Minister and the head of the Federal Authority of Audiovisual Communication Services (AFSCA) signed a training agreement in broadcasting sphere. According to this agreement AFSCA will provide the training courses on new audiovisual technologies for small media and for media “which have to retrain their workers due to new technologies.”³⁰¹²

On 8 November 2012, the meeting “Argentina 2020 Plan: the Role of Continuous Training for Inclusion and Competitiveness” took place with participation of the Labour Minister, the Industry Minister and the Economy Vice-minister and representatives of different sectors. The Labour Ministry and the Ministries of Economy, Industry, Science and Technology, and Agriculture signed the agreements in professional training. The 2020 Ministry’s Continuous Training Strategic Plan goals were presented. A Network of Institutions of Continuous Training will be created to train 3 million workers with assistance of 60,000 teachers by 2020.³⁰¹³

On 16 November 2012, Labour Minister inaugurated four Professional Training Centres. New training centers will provide the courses of Cook’s Assistant, Basic Computing, Building, Home

³⁰⁰⁷ Tomada Puso en Marcha el “Tercer Programa de Trabajo Decente por País para el Período 2012 a 2015”, Ministry of Labour, Employment and Social Security of Argentina 15 August 2012. Date of Access: 2 February 2013. http://www.trabajo.gov.ar/downloads/prensa/120705_Tomada-OIT.pdf.

³⁰⁰⁸ Tomada and Bielsa Signed Agreement to Improve Employability on People under Addiction Treatment, Ministry of Labour, Employment and Social Security of Argentina 15 August 2012. Date of Access: 19 January 2013. http://www.trabajo.gov.ar/downloads/otros/120815_tratamiento-adicciones_eng.pdf

³⁰⁰⁹ Cursos. Empleartec Official Site. Date of Access: 19 January 2013. <http://empleartec.org.ar/cursos>.

³⁰¹⁰ EmplearTec 2012-2015, Argentinian Planning Ministry Official Site 16 October 2012. Date of Access: 2 February 2013.

³⁰¹¹ Tomada was Awarded a Special Mention for the Training in the Empleartec Programme, Ministry of Labour, Employment and Social Security of Argentina 2 November 2012. Date of Access: 19 January 2013. http://www.trabajo.gov.ar/downloads/otros/121102_Tomada-mencion_eng.pdf.

³⁰¹² Training Agreement in Broadcasting and Television Crafts Signed, Ministry of Labour, Employment and Social Security of Argentina 19 October 2012, Date of Access: 19 January 2013. http://www.trabajo.gov.ar/downloads/otros/121019_capacitacion-radio-tv_eng.pdf.

³⁰¹³ Tomada, Giorgi and Kicillof Headed Argentina 2020 Strategic Plans Articulation Meeting, Ministry of Labour, Employment and Social Security of Argentina 8 November 2012. Date of Access: 19 January 2013. http://www.trabajo.gov.ar/downloads/otros/121108_argentina2020_eng.pdf.

Electrical Installer, Electrical Welder and Work Finish Assistant for more than 600 workers from Lomas de Zamora, a city in the Buenos Aires province.³⁰¹⁴

On 17 December 2012, Labour Minister and the Argentine Association of Metallurgical Industries (ADIMRA) representatives signed an agreement for jobs creation, enhancing sustainable employment in the metallurgical sector. According to the Minister “professional training is not only a right but at duty.”

The agreement will create an inter- institutional and inter-sectoral space for different actors to elaborate strategies on effective employment policy implementation, professional training and job skills certification.³⁰¹⁵

On 18 December 2012, Labour and Education Ministers Carlos Tomada and Alberto Sileoni signed an agreement “Building a Future with Decent Work” aimed at professional training for teachers in secondary schools.³⁰¹⁶ The agreement is part of the national strategy to extend a decent work culture in schools on national, provincial and local levels.³⁰¹⁷

On 21 February 2013, Labour Minister and President of state-owned oil company YPF (Fiscal Petroleum Fields) Miguel Galuccio agreed to provide trainings for the workers of oil and gas industry (in welding, assembling, piping spheres) at the YPF headquarters. More than 10000 workers will be able to improve their working skills until 2015. 14000 hours of trainings will be provided as part of the Argentinian Strategic Industrial Plan 2020. The agreement will promote access to quality jobs for unemployed workers as well.³⁰¹⁸

On 28 February 2013, Labour Minister and Industry Minister Débora Giorgi signed an agreement with the National Institute of Industrial Technology (INTI) and the Argentine Association of Concrete Blocks (AABH). The agreement is aimed at increasing competitiveness of SMEs, investments attraction to the construction sector and creation of quality jobs. The agreement was presented as one of the measures in the framework of Argentinian Strategic Industrial Plan 2020. According to the Labour Minister, “the construction sector is one of the most dynamic ones” in terms of creating jobs.³⁰¹⁹

³⁰¹⁴ Tomada Inauguró Cuatro Centros de Formación Profesional, Ministry of Labour, Employment and Social Security of Argentina 16 November 2012. Date of Access: 19 January 2013. http://www.trabajo.gov.ar/ampliado.asp?id_nvd=61#engver.

³⁰¹⁵ Tomada: “Professional training is not only a right but a duty”, , Ministry of Labour, Employment and Social Security of Argentina 17 December 2012. Date of Access: 6 July 2013. http://www.trabajo.gov.ar/downloads/otros/121217_adimra_eng.pdf.

³⁰¹⁶ Professional Training Agreement for Secondary School Teachers Signed, Ministry of Labour, Employment and Social Security of Argentina 18 December 2012, Date of Access: 18 January 2013. http://www.trabajo.gov.ar/downloads/otros/121218_cat_y_sileoni_eng.pdf.

³⁰¹⁷ Firma del convenio Construir Futuro con Trabajo Decente, ILO Argentina 18 December 2012. Date of Access: http://www.oit.org.ar/portal/index.php?option=com_content&view=article&id=629:firma-del-convenio-construir-futuro-con-trabajo-decente&catid=23:noticias.

³⁰¹⁸ Professional training and education actions in the oil and gas sector to improve competitiveness and consolidate employment, Ministry of Labour, Employment and Social Security of Argentina 21 February 2013. Date of Access: 6 July 2013. http://www.trabajo.gov.ar/downloads/otros/130221_Tomada_YPF_eng.pdf.

³⁰¹⁹ Tomada and Giorgi sign Agreement with the INTI and the Argentine Association of Concrete Blocks, Ministry of Labour, Employment and Social Security of Argentina 28 February 2013. Date of Access: 6 July 2013. http://www.trabajo.gov.ar/downloads/otros/130228_Tomada_y_Giorgi_eng.pdf.

On 30 May 2013, Labour Minister, Planning Minister Julio de Vido and Deputy Minister of Economy Axel Kicillof signed an agreement with the Federal Organization of Hydrocarbon Producer States (OFEPHI) to establish the Federal Commission for Compliance with Hydrocarbon Sovereignty Purposes which will coordinate OFEPHI member provinces activities. The Commission should promote hydrocarbon self-supply of the provinces, job creation and regional economic development. The Observatory on Labour Relations was established as well. The main aim of this body is to share good labour practices and promote sustainable employment in hydrocarbon sphere. Both the Commission and the Observatory will function under the supervision of the national government and regional authorities.³⁰²⁰

On 11 June 2013, Labour Minister and Tourism Minister Enrique Meyer signed an agreement aimed at the implementation of the Tourism Strategic Plan 2020. The Ministries intend to carry out joint actions to foster employment and promote competitiveness among enterprises in order to increase service quality. Labour Minister presented the policy measures to be implemented: sector certification and promotion of the professional education based on workers' job skills.³⁰²¹

Argentina has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 24 July 2012, Labour Minister and the Governor of Catamarca province signed five cooperation agreements to implement “Youngsters with More and Better Jobs” (Jóvenes con Más y Mejor Trabajo) Program in the region. 4200 young people will be trained in the framework of the program. The program will provide different courses and practices for the young people to facilitate their future employment.³⁰²²

On 11 December 2012, Labour Ministry awarded certificates to 100 youngsters who participated in the “Promoters. From Your Country, for You” Program. The aim of the Program is to train the youngsters in social and economic development of local communities and foster their social inclusion and employment. The youngsters participated in the Program were trained over six months with the support of the Labour Ministry.³⁰²³

During the compliance period Argentina has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Elizaveta Safonkina

³⁰²⁰ Self-supply and employment generation agreement among National government and oil provinces, Ministry of Labour, Employment and Social Security of Argentina 30 May 2013. Date of Access: 5 July 2013. http://www.trabajo.gov.ar/downloads/otros/130530_acuerdo_nac-prov_eng.pdf.

³⁰²¹ Labour and Tourism portfolios signed agreement to promote enterprises' competitiveness and foster employment, Ministry of Labour, Employment and Social Security of Argentina 11 June 2013. Date of Access: 5 July 2013. http://www.trabajo.gov.ar/downloads/otros/130611_Trabajo-Turismo_eng.pdf.

³⁰²² Tomada Launched the Programme Jóvenes con Más y Mejor Trabajo [Youngsters with More and Better Jobs] and Signed Five Agreements in Catamarca, Ministry of Labour, Employment and Social Security of Argentina 24 July 2012. Date of Access: 1 February 2013. http://www.trabajo.gov.ar/downloads/prensa/120724_catamarca_eng.pdf.

³⁰²³ Youngsters from Promoters Programme were Awarded 100 certificates, Ministry of Labour, Employment and Social Security of Argentina 11 December 2012, Date of Access: 19 January 2013. http://www.trabajo.gov.ar/downloads/otros/121211_certificadosjovenes_eng.pdf.

Australia: +1

Australia has fully complied with its commitment on employment.

Australia has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 11 December 2012, the Australian Government announced the beginning of a consultation process on options to further improve the performance of the Government's main employment services program, Job Services Australia.³⁰²⁴ Over the following three months, until 22 March 2013, the Government was consulting with job seekers, employers and employment service providers on ways to better meet the needs of job seekers and work in partnership with employers.³⁰²⁵ The results of this consultation will contribute to the development of the next employment services contract, which will come into effect in 2015.

On 17 February 2013, Australian Government announced the USD1 billion Plan for Australian Jobs, which will promote innovation, productivity, competitiveness and create new jobs.³⁰²⁶ The rise in employment is to be achieved through supporting Australian firms to create more jobs at home, supporting Australian industry to increase exports and compete successfully abroad, and helping Australian small and medium businesses to grow and create new jobs.³⁰²⁷ The Australian Jobs Act, a key initiative of the Plan was released for public comment on 21 March 2013.³⁰²⁸

On 1 March 2013, it was announced that Australian Government allocated USD4 million to support Vodafone Hutchison Australia in creating 750 new jobs over the next year by expanding its call centre headquarters at Kingston, Tasmania. The new jobs would include positions in highly skilled and technical roles and widen employment opportunities for Tasmanians.³⁰²⁹

On 14 March 2013, Australian Prime Minister Julia Gillard in the address to the Australian Council of Trade Unions (ACTU) Community Summit reiterated the Labor Government's

³⁰²⁴ Building a world class employment participation system for Australia, Ministers' Media Centre – Education, Employment and Workplace Relations Portfolio 11 December 2012. Date of Access: 13 July 2013. <http://ministers.deewr.gov.au/ellis/building-world-class-employment-participation-system-australia>

³⁰²⁵ Employment services beyond 2015 consultation period extended, Department of Education, Employment and Workplace Relations 14 March 2013. Date of Access: 13 July 2013. <http://deewr.gov.au/news/employment-services-beyond-2015-consultation-period-extended>

³⁰²⁶ Gillard Government's \$1 Billion Jobs Plan, Department of the Prime Minister and Cabinet 16 February 2013. Date of Access: 13 July 2013. <http://pmtranscripts.dpmc.gov.au/browse.php?did=19067>.

³⁰²⁷ A Plan for Australian Jobs: The Australian Government's Industry and Innovation Statement, Australian Government Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education. Date of Access: 28 March 2013. <http://aussiejobs.innovation.gov.au/industry-and-innovation-statement/Pages/default.aspx>.

³⁰²⁸ Gillard Government takes next steps on \$1 billion jobs plan, Minister for Climate Change, Industry and Innovation 21 March 2013. Date of Access: 28 March 2013. <http://minister.innovation.gov.au/gregcombat/MediaReleases/Pages/GillardGovernmenttakesnextstepson1billionjobsplan.aspx>.

³⁰²⁹ Gillard Government invests in 750 new jobs in Tasmania, Department of Prime Minister and Cabinet 28 February 2013. Date of Access: 13 July 2013. <http://pmtranscripts.dpmc.gov.au/browse.php?did=19102>.

commitment to “create jobs, improve working conditions, give more people more skills and spread opportunity.” She also underscored the importance of creating secure jobs.³⁰³⁰

On 14 May 2013, the 2013-2014 Budget was released, unveiling USD15.5 million investments in two successful job creation programmes: the Australian Government will deliver 10 more Jobs and Skills Expos and continue to support 20 Local Employment Coordinators in Priority Employment Areas³⁰³¹ until 30 June 2014.³⁰³² The 2013-14 Budget also contains three measures — totalling around USD297 million — to help job seekers in the transition to work by increasing the income free area for eligible income support recipients (the amount of income that would preclude payment of an allowance or benefit) and providing extra assistance to undertake study and training.³⁰³³ Another USD5.4 million will be invested to help people with intellectual disability find and keep jobs.³⁰³⁴

Australia has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 8 March 2013, Australian Minister for Tertiary Education, Skills, Science and Research Chris Bowen announced the two-month extension of the USD59.9 million Apprentice Kickstart Initiative. The Kickstart program aims to bring extra 21,000 apprentices into the workforce. “The two-month extension is good for employers, good for young people seeking apprenticeships, and good for job seekers as it will help to stimulate employment in the building, construction and engineering industries,” said the Minister.³⁰³⁵

On 14 May 2013, the Australian Government announced it would invest USD3.5 million until 30 June 2014 to assist job seekers to relocate to take up employment and apprenticeships in growth

³⁰³⁰ Address To The ACTU Community Summit On Creating Secure Jobs And A Better Society, Department of the Prime Minister and Cabinet 13 March 2013. Date of Access: 13 July 2013. <http://pmtranscripts.dPMC.gov.au/browse.php?did=19153>.

³⁰³¹ Local Employment Coordinator works with employers, community groups and all levels of government to help address unemployment, skills, training and labour issues specific to their area. They also assist retrenched workers and other job seekers to connect with employment and training opportunities and help local employers and industry to access government services, including helping employers with applications for funding.

³⁰³² Budget 2013-14: \$19.2 million to help more Australians find work and regional businesses find apprentices, Ministers’ Media Centre – Education, Employment and Workplace Relations Portfolio 14 May 2013. Date of Access: 13 July 2013. <http://ministers.deewr.gov.au/shorten/budget-2013-14-192-million-help-more-australians-find-work-and-regional-businesses-find>.

³⁰³³ Budget 2013-14: Better support to help more Australians enter the workforce, Ministers’ Media Centre – Education, Employment and Workplace Relations Portfolio 14 May 2013. Date of Access: 13 July 13, 2013. <http://ministers.deewr.gov.au/shorten/budget-2013-14-better-support-help-more-australians-enter-workforce>

³⁰³⁴ Budget 2013-14: Helping more Australians with intellectual disability find work, Ministers’ Media Centre – Education, Employment and Workplace Relations Portfolio 14 May 2013. Date of Access: 13 July 2013. <http://ministers.deewr.gov.au/shorten/budget-2013-14-helping-more-australians-intellectual-disability-find-work>

³⁰³⁵ Extending Kickstart for key industries, The Hon Chris Bowen, Minister for Tertiary Education, Skills, Science and Research, Minister for Small Business 8 March 2013. Date of Access: 28 March 2013. <http://minister.innovation.gov.au/chrisbowen/MediaReleases/Pages/ExtendingKickstartforkeyindustries.aspx>.

industries and regions. The measure was designed, among other, to help young Australians develop their skills and build career.³⁰³⁶

During the compliance period Australia has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analysts: Andrei Sakharov & Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment on employment.

Brazil has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

Brazilian Government has taken measures to eliminate payroll taxes and give other incentives to companies that pledge to avoid firing workers. On 24 October 2012 Brazilian Finance Minister Guido Mantega reported “Brazil is one of the few countries where employment continues to expand.”³⁰³⁷

On 5 June 2013, a BRL41 million tender was launched in shipbuilding industry with the aim of supporting the industry and generating jobs.³⁰³⁸

Furthermore, Brazil has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 28 May 2013, The National Program for Access to Technical Education and Employment (Pronatec) Entrepreneurship was launched. The initiative is targeted at young people to develop their entrepreneurial skills and provides vocational training. The program is expected to train 181,000 students in 2013.³⁰³⁹

According to January 2013 Financial Times Special Report on Investing in Young People, a project to train and create job placements for the under-30s is spreading across the Latin-American region. New Employment Opportunities (NEO), a scheme developed by Inter-American Development Bank (IDB) and International Youth Foundation (IYF), is a public-private initiative that aims to increase job opportunities and expand job training for young people

³⁰³⁶ Budget 2013-14: \$19.2 million to help more Australians find work and regional businesses find apprentices, Ministers’ Media Centre – Education, Employment and Workplace Relations Portfolio 14 May 2013. Date of Access: 13 July 2013. <http://ministers.deewr.gov.au/shorten/budget-2013-14-192-million-help-more-australians-find-work-and-regional-businesses-find>

³⁰³⁷ Brazil Jobless Rate at Low for September on Growth Outlook, Bloomberg 25 October 2012. Date of Access: 12 February 2013. <http://www.businessweek.com/news/2012-10-25/brazil-s-unemployment-rate-rises-first-time-in-three-months>.

³⁰³⁸ FINEP launches BRL41 million tender for the Shipbuilding Industry, The official website of the Government of Brazil 5 June 2013. Date of Access: 10 July 2013. <http://www.brasil.gov.br/news/history/2013/06/05/finpep-launches-r-41-million-tender-for-the-shipbuilding-industry>.

³⁰³⁹ Ministry of Education launches program to encourage entrepreneurship among young people, The official website of the Government of Brazil. 29 May 2013. Date of Access: 8 July 2013. <http://www.brasil.gov.br/news/history/2013/05/29/ministry-of-education-launches-program-to-encourage-entrepreneurship-among-young-people>.

in cooperation with participating private corporations. The program involves an initial investment from sponsors of USD37 million and is developed in Brazil, Chile, Colombia, Dominican Republic, Mexico, Panama, Peru and Uruguay. According to IDB president Luis Alberto Moreno “through NEO, companies, governments and development institutions will work together to address two of the most urgent issues facing our region: youth unemployment, and unmet demand for skilled workers.”³⁰⁴⁰

In September 2012, Multilateral Investment Fund, a member of the Inter-American Development Bank Group, released a new strategy for Youth Training Projects and set out the NEO as a priority for creating opportunities for young people. NEO implementation in Brazil and Mexico was used to demonstrate program implementation in action.³⁰⁴¹

On 4 September 2012, the IDB approved a USD60 million loan to support the Rio de Janeiro State program to integrate into society 40,000 young people who live in favelas through providing access to schools, healthcare, culture, sports, and training and prepare participants to enter the workforce. The state government will contribute further USD24.5 million raising total funding to USD84.5 million.³⁰⁴²

USAID/Brazil Youth Employability Programme is an ongoing initiative aimed at creating partnerships with the private sector and encouraging companies to employ disadvantaged youth. It is one of a the programs, together with Market-driven Training, Basic English Language Learning, Connecting Youth to the Job Market, which are devised and run by the United States Agency for International Development (USAID) in partnership with the Government of Brazil, civil society organizations and the private sector.³⁰⁴³

Science without Borders is a large-scale nationwide scholarship program primarily funded by the Brazilian federal government that is targeted at developing and promoting science, technology, innovation and competitiveness of Brazil through international exchange and mobility. The Program aims to provide 101,000 scholarships for undergraduate and graduate students by 2015, from which 75,000 will be sponsored by the federal government. The rest will come from

³⁰⁴⁰ Investing in Young People 2013, By Financial Times from Financial Times 25 January 2013. Date of Access: 12 February 2013. <http://youtheconomicopportunities.org/resource/964/investing-young-people-2013>.

³⁰⁴¹ Multilateral Investment Fund Releases New Strategy for Youth Training Projects, The official website of Inter-American Development Bank 14 September 2012. Date of Access: 12 February 2013. <http://www.iadb.org/en/news/announcements/2012-09-14/mif-briefing-on-job-training-programs-in-latin-america,10112.html>.

³⁰⁴² IDB approves \$60 million to help 40,000 youth in slums in Rio de Janeiro State cleared of drug-trafficking gangs, The official website of Inter-American Development Bank 4 September 2012. Date of Access: 12 February 2013. <http://www.iadb.org/en/news/news-releases/2012-09-04/social-inclusion-and-opportunities-for-youth-in-brazil,10097.html>.

³⁰⁴³ Youth employment, USAID Brazil. Date of Access: 12 February 2013. <http://brazil.usaid.gov/en/node/13>.

partnerships with the private sector.³⁰⁴⁴ Since its launch in 2011, 41,133 scholarships were awarded as of April 2013.³⁰⁴⁵

The Ministry of Development, Industry and Foreign Trade (MDIC) of Brazil is developing cooperation with the US. Department of Commerce to promote internship opportunities for Brazilian students of Science without Borders Program in the US companies. As of September 2012, the ministry confirmed that 40 US companies with branches in Brazil were interested in participating in the project by opening internships.³⁰⁴⁶ 101,000 scholarship students will be sent to the USA over the next four years.³⁰⁴⁷

On 11 December 2012, Brazil and France signed a Memorandum of Understanding that proposes that France will receive 2,000 Brazilian doctoral and post-doctoral scholarship students.³⁰⁴⁸ In September 2012, Brazil and the UK signed three new agreements within Science without Borders to increase the number of students sent to the UK.³⁰⁴⁹

During the compliance period Brazil has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with its commitment on employment.

Canada has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

³⁰⁴⁴ Number of Brazilian students studying abroad rises, The official website of the Government of Brazil 18 July 2012. Date of Access: 12 February 2013.

<http://www.brasil.gov.br/news/history/2012/07/18/number-of-brazilian-students-studying-abroad-rises>.

³⁰⁴⁵ Science without Borders to exceed the 45,000 scholarships forecasted for this year, The official website of the Government of Brazil 26 April 2013. Date of Access: 7 July 2013.

<http://www.brasil.gov.br/news/history/2013/04/26/science-without-borders-to-exceed-the-45-000-scholarships-forecasted-for-this-year>.

³⁰⁴⁶ MDIC will promote internships for Brazilians in U.S. companies, The official website of the Government of Brazil 3 September 2012. Date of Access: 12 February 2013.

<http://www.brasil.gov.br/news/history/2012/09/03/mdic-will-promote-internships-for-brazilians-in-u.s.-companies>.

³⁰⁴⁷ American universities come to Brazil to discuss the Science without Borders program, The official website of the Government of Brazil 4 September 2012. Date of Access: 12 February 2013.

<http://www.brasil.gov.br/news/history/2012/09/04/american-universities-come-to-brazil-to-discuss-the-science-without-borders-program>.

³⁰⁴⁸ Agreement with France provides for the distribution of 2,000 postgraduate scholarships, The official website of the Government of Brazil 12 December 2012. Date of Access: 12 February 2013.

<http://www.brasil.gov.br/news/history/2012/12/12/agreement-with-france-provides-for-the-distribution-of-2-000-postgraduate-scholarships>.

³⁰⁴⁹ Brazil and the UK sign new agreements on science and technology, The official website of the Government of Brazil 3 October 2012. Date of Access: 12 February 2013.

<http://www.brasil.gov.br/news/history/2012/10/brazil-and-the-uk-sign-new-agreements-on-science-and-technology>.

Job creation is one of the priority areas of Canada's Economic Action Plan. The Government of Canada carries out multiple programs designed to support workers and the unemployed. Among them are: Apprenticeship Grants, Wage Earner Protection Program, Tax Relief to Certification Examinations, Targeted Initiative for Older Workers, Hiring Credit for Small Business etc.³⁰⁵⁰

On 2 January 2013, Canadian Citizenship, Immigration and Multiculturalism Minister Jason Kenney announced the launch of the new Federal Skilled Trades Program. According to the minister, the Skilled Trades Program will address serious labor shortages faced by some regions of the country, by building "fast and flexible immigration system that is responsive to the needs of Canada's economy."³⁰⁵¹

The Harper Government's commitment to creating jobs is reiterated in Canadian Economic Action Plan 2013 tabled in the House of Commons on 21 March 2013. The Action Plan announces measures to foster employment: the new Canada Job Grant, aimed to connect skills training with employers and jobs; increased support for apprentices; and better training opportunities for vulnerable groups, such as people with disabilities, youth, Aboriginal people and newcomers to Canada.³⁰⁵²

On 15 May 2013, in her address to attendees at the Arthritis Society Walk to Fight Arthritis Media Launch 2013 Canada's Labour Minister Lisa Raitt "highlighted the Government's commitment to healthier, safer and more inclusive workplaces." Minister Raitt also underscored the importance of raising awareness of issues surrounding arthritis, which is the leading cause of disability in Canada. "Workplaces across the country should provide all individuals with the opportunity to achieve their full potential and contribute to Canada's economic prosperity," said Minister Raitt.³⁰⁵³

Canada has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

Canada continues to carry out the measures in the framework of the Youth Employment Strategy (YES) to help young people, particularly those facing barriers to employment, get the information and the skills, work experience and abilities required to make a successful transition into the labor market. Additional USD50 million are to be invested over 2012-2013 to "help more young people gain tangible skills and experience and to connect young Canadians with jobs in fields that are in high demand." Integral parts of the YES are Skill Link, Career Focus, and Summer Work Experience programs.³⁰⁵⁴ YES annual budget is approximately USD300 million.³⁰⁵⁵

³⁰⁵⁰ Support for Workers and the Unemployed, Canada's Economic Action Plan. Date of Access: 7 February 2013. <http://actionplan.gov.ca/page/support-workers-and-unemployed>.

³⁰⁵¹ New Federal Skilled Trades Program Accepts Applications Starting Today, Canada's Economic Action Plan 2 January 2013. Date of Access 4 February 2013. <http://actionplan.gov.ca/en/news/new-federal-skilled-trades-program-accepts-0>.

³⁰⁵² Jobs, Growth and Long-Term Prosperity – Economic Action Plan, Government of Canada 21 March 2013. Date of Access: 27 June 2013. <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>.

³⁰⁵³ Minister Raitt promotes healthy, safe and inclusive work environments at Walk to Fight Arthritis Launch, Canada News Centre 15 May 2013. Date of Access: 26 June 2013. <http://news.gc.ca/web/article-eng.do?m=%2Findex&nid=742549>.

³⁰⁵⁴ Enhancing the Youth Employment Strategy, Canada's Economic Action Plan. Date of Access 5 February 2013. <http://actionplan.gov.ca/en/initiative/enhancing-youth-employment-strategy>.

On 31 August 2012, Minister for FedNor Tony Clement announced that the Government of Canada would invest USD400,000 to create 15 youth employment opportunities across Northern Ontario that will help address skilled labor shortages in the region and provide valuable work experience for young graduates.³⁰⁵⁶

On 3 December 2012, Member of Parliament Ray Boughen on behalf of Minister of Human Resources and Skills Development Diane Finley announced that the Government of Canada was providing support for youth in Regina, Saskatchewan, to help them gain the skills, knowledge and experience they need to enter and succeed in the job market. Prairie Spirit Connections Inc., a non-profit, community based organization, is receiving over USD41,000 from the Skills Link program to help aboriginal youth obtain necessary experience to overcome barriers to employment.³⁰⁵⁷

On 6 February 2013, the Greenest Workforce initiative was launched by the Minister of Human Resources and Skills Development Diane Finley. Minister said that the initiative would help address the skill shortage of younger workers and match it with the needs of the employers in the forestry industry.³⁰⁵⁸

During the compliance period Canada has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

China: +1

China has fully complied with the commitment on employment.

China has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 16 July 2012, the China Disabled Persons' Federation announced that China would strengthen vocational training for the disabled population and help them to find jobs through a variety of rehabilitation and training programs.³⁰⁵⁹

On 31 January 2013, the central committee of the Communist Party of China and the State Council issued a document, according to which China would help migrants from rural areas to get professional training, social security including benefits, education and public health.³⁰⁶⁰

³⁰⁵⁵ Government of Canada invests to help Aboriginal youth in Regina get jobs, Canada's Economic Action Plan 3 December 2012. Date of Access: 5 February 2013. <http://actionplan.gov.ca/en/news/government-canada-invests-help-aboriginal-youth>.

³⁰⁵⁶ Harper Government creates youth employment across Northern Ontario, Canada's Economic Action Plan 31 August 2012. Date of Access: 5 February 2013. <http://actionplan.gov.ca/en/news/harper-government-creates-youth-employment-across-northern-ontario-0>.

³⁰⁵⁷ Government of Canada invests to help Aboriginal youth in Regina get jobs, Canada's Economic Action Plan 3 December 2012. Date of Access: 5 February 2013. <http://actionplan.gov.ca/en/news/government-canada-invests-help-aboriginal-youth>.

³⁰⁵⁸ Government of Canada investment connects youth with jobs in forestry, Canada News Centre 6 February 2013. Date of Access: 7 February 2013. <http://news.gc.ca/web/article-eng.do?nid=719139>.

³⁰⁵⁹ China to strengthen vocational training for disabled, Xinhua News Agency 7 July 2012. Date of Access: 10 February 2013. http://news.xinhuanet.com/english/china/2012-07/16/c_131718558.htm.

On 8 February 2013, the Ministry of Human Resources and Social Security announced that the Chinese Government had helped 1.68 million migrant workers to return unpaid wages and get compensation, which totalled CNY8.75 billion (USD1.39 billion).³⁰⁶¹

China has taken actions directly aimed at youth to combat unemployment.

On 17 June 2013, Chinese government announced that about 10 to 12 percent of newly recruited public servants this year will be “college graduates who will have had experience of working as “village officials”.” The number of university students with official positions in rural communities is expected increase to 600,000 by 2020 from the current 200,000. This measure is aimed at stimulating students to work in rural communities after graduating.³⁰⁶²

During the compliance period China has taken actions to combat unemployment and foster the creation of decent work and quality jobs and has taken actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its commitment on employment.

France has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 28 November 2012, the Minister of Economy and Finance presented the project of the tax credit for competitiveness and employment (CICE).³⁰⁶³ Effective since 1 January 2013, CICE is equivalent to a reduction of social security contributions for small and medium businesses.³⁰⁶⁴ It will allow 1.5 million companies benefit from a tax credit of USD16.9 billion in 2013 and USD26 billion in 2014.³⁰⁶⁵ Businesses will benefit from CICE under France Investment 2020 program, which aims to support the equity financing of small and medium enterprises in order to create jobs.³⁰⁶⁶

³⁰⁶⁰ China vows to help migrant workers in urbanization, Ningbo Foreign Trade and Economic Cooperation Bureau 31 January 2013. Date of Access: 10 February 2013. <http://en.nbfet.gov.cn/detail.php?id=70579>.

³⁰⁶¹ China retrieves defaulted payments for migrant workers, Xinhua News Agency 8 February 2013. Date of Access: 10 February 2013. http://news.xinhuanet.com/english/china/2013-02/08/c_132160597.htm.

³⁰⁶² Rural youth encouraged to become self-employed, Ministry of Agriculture of the People’s Republic of China 18 June 2013. Date of Access: 5 July 2013. http://english.agri.gov.cn/news/dqnf/201306/t20130618_19839.htm.

³⁰⁶³ Le crédit d’impôt pour la compétitivité et l’emploi. 28 Novembre 2012. Portail du Gouvernement. URL : <http://www.gouvernement.fr/gouvernement/le-credit-d-impot-pour-la-competitivite-et-l-emploi>

³⁰⁶⁴ Pacte national pour la croissance, la compétitivité et l’emploi. Le portail de l’économie et des finances. URL: <http://www.economie.gouv.fr/ma-competitivite/pacte-national-croissance-competitivite-emploi>

³⁰⁶⁵ Le crédit d’impôt pour la compétitivité et l’emploi en vigueur depuis le 1er janvier 2013 . 23 January 2013. FSI France Investissement 2020. URL : <http://www.france-investissement.fr/Les-actus/Les-News/Le-credit-d-impot-pour-la-competitivite-et-l-emploi-en-vigueur-depuis-le-1er-janvier-2013>

³⁰⁶⁶ Lancement du programme FSI France Investissement 2020. Le Portail du Gouvernement. URL: <http://investissement-avenir.gouvernement.fr/content/lancement-du-programme-fsi-france-investissement-2020>

On 11 March 2013, the Minister of Labour, Employment, Vocational Training and Social Dialogue announced the creation of 13 territorial platforms to support employment and create jobs in the regions with rapidly changing economic conditions.³⁰⁶⁷

France has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

The employment prospects are supported by a special law of 21 October 2012 and 4 decrees adopted on 31 October 2012 establishing the Future Employment Program. The objective of the Future Employment Program is to offer employment solutions and open access to qualifications for young people who can not find a job.³⁰⁶⁸

On 21 December 2012, the French Government and the Union of Federations and National Unions of Employers in the Health and Social Sectors (UNIFED) signed a framework agreement on future employment and training of young beneficiaries.³⁰⁶⁹

On 14 February 2013, the Minister of Training and Learning confirmed the continuation of government support to 100 “learning developers” responsible for helping companies hire apprentices.³⁰⁷⁰

During the compliance period France has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on employment.

Germany has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 26 October 2012, Federal Minister Philipp Rösler and spokeswoman of the GIZ (German Society for International Cooperation) board of managers Tanja Gönner launched a series of pilot projects as part of the “Make it in Germany” campaign in India, Indonesia and Vietnam. The Federal Minister and Tanja Gönner signed a contract commissioning the GIZ to implement the pilot projects in these countries. Within the framework of these projects, local representatives will

³⁰⁶⁷ Création de treize plateformes d’appui aux mutations économiques. 11 mars 2013. Le ministre du travail, de l’emploi, de la formation professionnelle et du dialogue social. URL: <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/creation-de-treize-plateformes-d,15955.html>

³⁰⁶⁸ Textes de loi. 16 novembre 2012. Le ministre du travail, de l’emploi, de la formation professionnelle et du dialogue social. URL: <http://travail-emploi.gouv.fr/emplois-d-avenir,2189/utiles,2203/textes-de-loi,15609.html>

³⁰⁶⁹ Convention cadre entre l’Etat et l’UNIFED. 21 décembre 2012. Le ministre du travail, de l’emploi, de la formation professionnelle et du dialogue social. URL: <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/l-etat-et-l-unifed-signent-une,15771.html>

³⁰⁷⁰ Le gouvernement prolonge son soutien aux développeurs de l’apprentissage. 14 février 2013. Le ministre du travail, de l’emploi, de la formation professionnelle et du dialogue social. URL: <http://travail-emploi.gouv.fr/actualite-presse,42/communiqués,2138/le-gouvernement-prolonge-son,15905.html>

inform, prepare and assist qualified professionals interested in immigrating to and working in Germany.³⁰⁷¹

On 22 November 2012, the Federal Employment Agency and the Federal Ministry of Labour and Social Affairs launched a joint cooperation project with the Embassies of Russia, Turkey, Italy, Greece, Croatia and Serbia. The aim of the cooperation is to bring more migrants into training and employment.³⁰⁷²

On 27 February 2013, the German Government opened up labour market for skilled workers from non-EU member states by revising the Employment Ordinance. The new regulations ease administrative barriers for potential employees and make it clear which professions are currently needed.³⁰⁷³

Within the European Union, every citizen has unrestricted access to the German labour market. The new Employment Ordinance now opens the labour market to skilled workers from non-EU member states.

Germany has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 12 November 2012, German Federal Minister of Labour and Social Affairs Ursula von der Leyen, Italian Minister of Labour, Social Policies and Equal Opportunities Elsa Fornero, Italian Minister of Education, University and Research Francesco Profumo, and a high-ranking representative of the German Federal Ministry of Education and Research reached specific agreements on promoting youth employment. These agreements are set out in a Memorandum of Understanding signed during the conference “Working together to foster youth employment” in Naples. Cooperation between the two countries focuses particularly on labour market-policy and vocational education.³⁰⁷⁴

On 19 December 2012, the Federal Ministry of Labour and Social Affairs together with the International Placement Services of the Federal Employment Agency, approved a special program aimed at offering career prospects to young people and to unemployed young skilled workers from EU Member States who are interested in training.³⁰⁷⁵ The program consists of two phases and started in January 2013. Participants will first receive orientation and language courses in their respective countries of origin to prepare them for training and employment in

³⁰⁷¹ The Federal Ministry of Economics and Technology launches pilot projects to attract qualified professionals in India, Indonesia and Vietnam, Federal Ministry of Economics and Technology 26 October 2012. Date of access: 5 February 2013. http://www.bmwi.de/English/Navigation/Press/press-releases_did=523250.html.

³⁰⁷² Living together - working together, Federal Ministry of Labour and Social Affairs 22 November 2012. Date of access: 4 February 2013. <http://www.bmas.de/EN/Service/Press/recent-publications/Living-together-working-together.html>.

³⁰⁷³ Immigration from non-EU states to become easier, The Federal Government 27 february 2013. Date of access: 1 July 2013. <http://www.bundesregierung.de/Content/EN/Artikel/2013/02/2013-02-26-beschaefigungsverordnung.html>.

³⁰⁷⁴ Germany and Italy agree on close cooperation in employment policy, Federal Ministry of Education and Research 12 November 2012. Date of access: 15 January 2013. <http://www.bmbf.de/en/17127.php>

³⁰⁷⁵ "Young Europeans find a perspective in Germany", Federal Ministry of Labour and Social Affairs 28 September 2012. Date of access: 4 February 2013. <http://www.bmas.de/DE/Service/Presse/Pressemitteilungen/sonderprogramm-europ-jugend-2012-12-13.html>

Germany. The second step will then be to place the participants in appropriate vacancies. To manage the program, which is projected to run for two years, the Federal Ministry of Labour and Social Affairs has budgeted the annual amount of up to EUR40 million.³⁰⁷⁶

On 21 May 2013, Federal Labour Minister Dr. Ursula von der Leyen and Spanish Employment Minister Fátima BáñezGarcía signed a Memorandum of Understanding (MoU). This MoU aiming to step up bilateral cooperation in the field of labour market policy stresses the importance of joint efforts to promote the employment of young people.³⁰⁷⁷

On 24 May 2013, Germany and France launched a special initiative called a “New Deal” to combat youth unemployment in Europe. Under the plans, finance from the European Investment Bank will be made available to encourage job creation at small and medium sized businesses. Angela Merkel invited employment ministers from all 27 EU countries to talks in Berlin in late July, aimed at laying out further practical steps.³⁰⁷⁸

During the compliance period Germany has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Yulia Ovchinnikova

India: +1

India has fully complied with the commitment on employment.

India has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 22 August 2012, an Agreement between UNDP and the Indian Institute of Advanced Study was signed in the presence of Minister of Human Resource Development and Minister of Communications and Information Technology Shri Kapil Sibal. The agreement aims to establish an International Centre for Human Development with support from the government to “integrate human development approaches and ensure improved development outcomes for poor and marginalized people.”³⁰⁷⁹

On 4 October 2012, Indian government amended the Employment Exchanges (Compulsory Notification of Vacancies) Act. According to the amendments, employment exchanges will be renamed as “Employment Guidance and Promotion Centers,” and focus in their activities will be placed on providing vocational guidance and career consultations in addition to previously agreed

³⁰⁷⁶ "An opportunity for young and upcoming skilled workers", Federal Ministry of Labour and Social Affairs 28 September 2012. Date of access: 4 February 2013. <http://www.bmas.de/EN/Service/Press/press-releases/eu-programm-young-skilled-workers-09-2012.html>

³⁰⁷⁷ Germany and Spain agree on close cooperation, ", Federal Ministry of Labour and Social Affairs 21 May 2013. Date of access: 1 July 2013. <http://www.bmas.de/EN/Our-Topics/Social-Europe-and-international-Affairs/Europe/Germany-Spain-agree-on-close-cooperation.html?nn=44978>

³⁰⁷⁸ 'New Deal' to tackle Europe's mass youth unemployment, The Telegraph 24 May 2013. Date of access: 1 July 2013. <http://www.telegraph.co.uk/news/worldnews/europe/10078892/New-Deal-to-tackle-Europes-mass-youth-unemployment.html>

³⁰⁷⁹ International Centre for Human Development to be Set up in India: Agreement Signed between IAS and UNDP, Press Information Bureau, Government of India 22 August 2012. Date of Access: 28 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=86548>.

responsibilities.³⁰⁸⁰ A project of employment exchanges modernization also includes activities under National e-Governance Plan (NeGP) of the Indian Government. In particular, a national web portal is proposed to be developed, which will help match industry demand with the supply of skilled workforce.³⁰⁸¹

On 10 September 2012, the National Small Industries Corporation announced that it had launched the free-of-cost Incubation Program for Unemployed Girls and Women aimed at developing entrepreneurship among these groups. The program provides necessary skills for entrepreneurs and representatives of start-up companies in the areas of product manufacturing processes, technology development and business development.³⁰⁸²

India has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

According to the Indian Ministry of Labour and Employment, “continuous efforts were made” in 2012 to establish Coaching-cum-Guidance Centres (CGCs) in Indian states not covered by this project so far. CGCs are designed to enhance the employability of educated unemployed youth representing “Scheduled Castes and Scheduled Tribes” (groupings of historically disadvantaged local inhabitants) registered with employment exchanges.³⁰⁸³

In 2012, Indian government continued its efforts within the project aimed at upgrading 400 Government Industrial Training Institutes (ITIs). The project, which was finished in December 2012, helped to develop skills courses in 21 sectors and improve existing courses for rural youth.³⁰⁸⁴

During the compliance period India has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Indonesia: +1

Indonesia has fully complied with the commitment on employment.

Indonesia has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

³⁰⁸⁰ Amendments in Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Press Information Bureau, Government of India 4 October 2012. Date of Access: 28 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=88187>.

³⁰⁸¹ Achievements of the Ministry of Labour & Employment During 2012, Ministry of Labour and Employment of India 18 December 2012. Date of Access: 28 March 2013. http://labour.nic.in/upload/uploadfiles/files/latest_update/press_release/50d42d34535aeYE2012MLE.pdf.

³⁰⁸² NSIC Empowering Women for Self Employment, Press Information Bureau, Government of India 10 September 2012. Date of Access: 28 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=87669>.

³⁰⁸³ Achievements of the Ministry of Labour & Employment During 2012, Ministry of Labour and Employment of India 18 December 2012. Date of Access: 28 March 2013. http://labour.nic.in/upload/uploadfiles/files/latest_update/press_release/50d42d34535aeYE2012MLE.pdf.

³⁰⁸⁴ Achievements of the Ministry of Labour & Employment During 2012, Ministry of Labour and Employment of India 18 December 2012. Date of Access: 28 March 2013. http://labour.nic.in/upload/uploadfiles/files/latest_update/press_release/50d42d34535aeYE2012MLE.pdf.

On 18-19 September 2012, Manpower and Transmigration Ministry of Indonesia organized a job fair for disabled people in Surakarta, Central Java. Representatives of the ministry highlighted that this fair can help implement the provisions of the law on manpower, which “stipulates that one out of every 100 jobs should be given to disabled people, either in the form of job opportunities or training.” The event was expected to assist at least 500 disabled people to find jobs.³⁰⁸⁵

On 15 November 2012, Indonesian Manpower and Transmigration Minister Muhaimin Iskandar signed a decree prohibiting outsourcing for the majority of jobs, except those in cleaning services, security, driving, supportive services on mining sites and catering. This decree is a step towards “improving labor standards and conditions and strengthening job security.”³⁰⁸⁶

On 3 December 2012, Indonesian President Susilo Bambang Yudhoyono established a Job Creation Desk and appointed Coordinating Minister for Economic Affairs Hatta Rajasa as its chairman. The new authority will be responsible for combating unemployment and providing incentives for companies to attract more labor force. By implementing this measure, the government of Indonesia aims to increase the number of new jobs created to one million every year from 500 thousand in 2012 and reduce the unemployment rate to 5% in 2014.³⁰⁸⁷

On 20 December 2012, Indonesian Manpower and Transmigration Minister at the public discussion on industrial disputes announced that the government would provide incentives, including tax allowances, for companies in labor-intensive industries, to compensate for the previous increase in minimum wages in Indonesia. Due to the increase in wages, some companies planned to downsize and dismiss their workers.³⁰⁸⁸

Indonesia has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 17 January 2013, Indonesian Vice President Boediono called on Indonesian banks to provide more credits for young entrepreneurs. Boediono mentioned that support to young entrepreneurs is crucial for providing employment and stimulating Indonesian economic growth and committed to “improve the infrastructure, provide incentives and ease the issue of business permits for new entrepreneurs who are just starting out.”³⁰⁸⁹

On 6 February 2013, the Partnership of Education, involving Indonesian Ministry of Education and Culture and representatives of the private sector, organized a one-day workshop on entrepreneurship for students from senior high schools and vocational schools. This event aimed

³⁰⁸⁵ Ministry opens job access for the disabled, The Jakarta Post 19 September 2012. Date of Access: 12 February 2013. <http://www.thejakartapost.com/news/2012/09/19/ministry-opens-job-access-disabled.html>.

³⁰⁸⁶ New labor decree off course, The Jakarta Post 19 November 2012. Date of Access: 12 February 2013. <http://www.thejakartapost.com/news/2012/11/19/new-labor-decree-course.html>.

³⁰⁸⁷ New task force created to deal with unemployment, The Jakarta Post 4 December 2012. Date of Access: 12 February 2013. <http://www.thejakartapost.com/news/2012/12/04/new-task-force-created-deal-with-unemployment.html>.

³⁰⁸⁸ Govt offers tax incentives to help minimum wage hikes, The Jakarta Post 22 December 2012. Date of Access: 12 February 2013. <http://www.thejakartapost.com/news/2012/12/22/govt-offers-tax-incentives-help-minimum-wage-hikes.html>.

³⁰⁸⁹ Boediono urges banks to extend credit to young entrepreneurs, The Jakarta Post 18 January 2012. Date of Access: 12 February 2013. <http://www.thejakartapost.com/news/2013/01/18/boediono-urges-banks-extend-credit-young-entrepreneurs.html>.

to improve the participants' business skills, stimulate them to establish their own businesses and create job opportunities for young entrepreneurs.³⁰⁹⁰

On 22 April 2013, Indonesian Maritime Affairs and Fisheries Minister Sharif Cicip Sutardjo announced government measures which will be implemented in partnership with the Indonesian Seaweed Association (ARLI) to develop downstream seaweed industries and create new job opportunities in this sector. In January-April 2013, downstream seaweed industries attracted IDR165 billion (about USD17 million) in investment from four companies, that facilitated the creation of new jobs for over 600 people. The government aims to further support such investments.³⁰⁹¹

During the compliance period Indonesia has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: +1

Italy has fully complied with the commitment on employment.

Italy has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 4 June 2013, the Minister of Labor and Social Policies Enrico Giovannini decided to launch a "Permanent system of monitoring and valuation of measures stipulated by the reform of the labor market" ("Sistema permanente di monitoraggio e valutazione delle misure previste dalla riforma del mercato di lavoro"). The System will allow to monitor labor market tendencies and economic effects of the labor market reform and future amendments to the provisions in force.³⁰⁹²

Italy has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 18 July 2012, the labour market reform entered into force (the Law n.92 of 28 June 2012).³⁰⁹³ Among many provisions of the reform the following are of particular importance for the commitment: changes to the regulation of certain types of contracts, such as fixed-term contract, apprenticeship, intermittent work, accessory work. Other provisions intervene to change the rules on job placement of people with disabilities and to introduce mechanisms to combat the so-called phenomenon of blank resignations.³⁰⁹⁴ The reform aims to create an inclusive labor market,

³⁰⁹⁰ Students encouraged to run businesses, The Jakarta Post 9 February 2012. Date of Access: 12 February 2013. <http://www.thejakartapost.com/news/2013/02/09/students-encouraged-run-businesses.html>.

³⁰⁹¹ Govt, association to develop downstream seaweed industry, The Jakarta Post 23 April 2013. Date of Access: 5 July 2013. <http://www.thejakartapost.com/news/2013/04/23/govt-association-develop-downstream-seaweed-industry.html>.

³⁰⁹² Avviate le operazioni per creare il "Sistema permanente di monitoraggio e valutazione della riforma del mercato del lavoro", Italian Ministry of Labour and Social Policies 4 June 2013. Date of Access: 6 July 2013. http://www.lavoro.gov.it/Lavoro/Notizie/20130604_SistemaMonitoraggio_MercatoLavoro.htm

³⁰⁹³ Legge 28 giugno 2012, n. 92, Italian Ministry of Labour and Social Policy 28 June 2012. Date of Access: 1 November 2012. http://www.lavoro.gov.it/NR/rdonlyres/3027E62A-93CD-444B-B678-C64BB5049733/0/20120628_L_92.pdf

³⁰⁹⁴ In vigore da oggi la riforma del mercato del Lavoro, Italian Ministry of Labour and Social Policy. Date of Access: 1 November 2012. http://www.lavoro.gov.it/Lavoro/Notizie/20120718_Circolare18.htm

reduce the time of the transition between school and work and between unemployment and employment, contribute to growth productivity and stimulate the development and competitiveness of enterprises, as well as to create a more universal social protection system.³⁰⁹⁵

On 29 August 2012, the law concerning the simplified limited liability company (LLC) entered into force. The aim of the law is to facilitate the access of young people under 35 years old to the business. The main feature of the new type of the company is a particularly facilitated regime both for the amount of capital necessary for its establishment (just one euro) and for lower management costs.³⁰⁹⁶ After a year, on 26 June 2013, the Council of Ministers approved the Law Decree abolishing the age limit of 35 years for the creation of so-called LLC of 1 euro. The same measure simplifying the requirements for access to special regime was applied to innovative start-ups.³⁰⁹⁷

On 10 October 2012, Minister of Education, University and Research Francesco Profumo, and President of Confindustria Giorgio Squinzi signed a Memorandum of Understanding for the implementation of projects, promoted by the Ministry of Education and by Confindustria, to promote the integration of young people to working relations. The initiatives will be implemented, in the framework of the Plan “More school less mafia,” with the direct involvement of educational institutions of the region through the use of assets confiscated from organized crime. The protocol focuses attention on the need to train future leading and entrepreneurial class capable of being active and innovative.³⁰⁹⁸

On 31 December 2012, the Minister of Economic Development Corrado Passera decided to institutionalize by Ministerial Decree and make permanent the discussion table with young Italian entrepreneurs. In the course of 2012, the Minister has initiated a direct dialogue with young entrepreneurs representing all major sectors of the Italian economy. The discussion table has addressed some of the central issues of economic growth and sustainable development in Italy, such as start-up, innovation, training, skills, access to credit.³⁰⁹⁹

On 28 June 2013, the Council of Ministers approved the Law Decree providing for urgent measures to stimulate employment. In particular, the adopted provisions refer to 5 areas: acceleration of permanent and temporary jobs creation, with the particular reference to young people and unemployed; the so-called “youth guarantee,” the European policy that starts from January 2014; interventions to social security and social policy; amendments to the Law 92/2012

³⁰⁹⁵ La riforma del mercato del lavoro, Italian Ministry of Labour and Social Policy. Date of Access: 2 February 2013. http://www.lavoro.gov.it/Lavoro/PrimoPiano/20120627_riforma_mercato_lavoro.htm

³⁰⁹⁶ S.r.l. semplificata per i giovani imprenditori: solo un euro per costituirli e minori spese, Italian Government 29 August 2012. Date of Access: 2 November 2012.

<http://governo.it/GovernoInforma/Dossier/ssrl/index.html>

³⁰⁹⁷ SRL a 1 euro e startup nel Decreto Lavoro, Italian Ministry of Economic Development 28 June 2013. Date of Access: 5 July 2013.

http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&id=2028562

³⁰⁹⁸ Protocollo d'intesa tra Miur e Confindustria, Italian Ministry of Education, University and Research 11 October 2012. Date of Access: 1 November 2012. <http://www.istruzione.it/web/ministero/dettaglio-news/-/dettaglioNews/viewDettaglio/23006/11207>

³⁰⁹⁹ Confrontarsi per costruire: il tavolo del ministro con i giovani imprenditori, Italian Ministry of Economic Development 1 Febbraio 2013. Date of Access: 10 February 2013.

http://www.sviluppoeconomico.gov.it/index.php?option=com_content&id=2026539

with the aim to make the labour market more flexible; reinforcement of employees and firms protection.³¹⁰⁰

During the compliance period Italy has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with the commitment on employment.

Japan has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 29 June 2012, Ministry of Health, Labour and Welfare increased the number of organizations involved in implementing “Local Youth Support Station Project.”³¹⁰¹

On 18 July 2012, the 14th Japan-EU Symposium on Employment and Social Issues was held in Tokyo during which Minister of Health, Labour and Welfare of Japan Yoko Komiyama and European Commissioner for Employment, Social Affairs and Inclusion László Andor met and discussed measures to foster youth employment.³¹⁰²

On 30 July 2012, the Japanese government has announced a job creation plan. It aims to create more than 9 million jobs by 2020, but the experts say that measures are not specified.³¹⁰³

On 25 September 2012, Ministry of Health, Labour and Welfare of Japan announced that on 1 October 2012 it would open 3 Employment Service Centers for the youth looking for a full-time job in Tokyo, Osaka and Aichi prefecture.³¹⁰⁴

On 6 December 2012, it was published on the website of Ministry of Health, Labour and Welfare that it is providing subsidies for the organizations involved in vocational training.³¹⁰⁵

On 18 January 2013, Ministry of Education, Culture, Sports, Science and Technology and Ministry of Economy, Trade and Industry of Japan (METI) announced a joint programme

³¹⁰⁰ Misure urgenti per il rilancio dell’occupazione, Italian Ministry of Labour and Social Policies 26 June 2013. Date of Access: 6 July 2013.

http://www.lavoro.gov.it/Lavoro/PrimoPiano/20130626_CdM_pacchetto_lavoro.htm

³¹⁰¹ Selection of 1 additional organization for implementation of "Local Youth Support Station Project", Ministry of Health, Labour and Welfare 29 June 2012. Date of Access: 11 February 2013.

<http://www.mhlw.go.jp/english/new-info/2012.html>.

³¹⁰² Tackling the Youth Unemployment Challenge - EU/Japan Symposium, Delegation of the European Union to Japan 18 July 2012. Date of Access: 06 February 2013.

<http://www.euinjapan.jp/en/media/news/news2012/20120718/130010/>.

³¹⁰³ Analysis: Job Creation Plan Has Lofty Goals but Short on Specifics, The Asahi Shimbun 31 July 2012. Date of Access: 11 February 2013. http://ajw.asahi.com/article/behind_news/politics/AJ201207310066.

³¹⁰⁴ “Corners for Youth Support” are Set Up to Serve as Centers for Supporting Employment of Freeters, Ministry of Health, Labour and Welfare 25 September 2012. Date of Access: 11 February 2013.

<http://www.mhlw.go.jp/stf/houdou/2r9852000002k76u.html>.

³¹⁰⁵ Subsidies for Organizations Implementing Support Training for Job Seekers, Ministry of Health, Labour and Welfare 06 December 2012. Date of Access: 11 February 2013.

<http://www.mhlw.go.jp/english/new-info/2012.html>.

“Intensive support for students looking for jobs 2013” that is aimed at enhancing employment support for new school graduates experiencing difficulty in getting hired. Under this programme it is planned to conduct a number of interview sessions mainly in small and medium-sized enterprises for university graduates (142 interview session) and high school graduates (90 interview sessions) from 18 January till March 2013.³¹⁰⁶

On 18 January 2013, Ministry of Health, Labour and Welfare posted on its website the information about websites that can help new graduates who were looking for a job.³¹⁰⁷

On 18 January 2013, it was announced that according to the job offer situation survey conducted on 1 December 2012 among graduating university students, the job offer rate for students expected to graduate from universities shows increase from previous fiscal year — increase by 3.1% up to 75%.³¹⁰⁸

On 22 January 2013, Ministry of Health, Labour and Welfare of Japan announced its plans to improve the rate of youth employment through increasing the number of local support stations in the country by 40%.³¹⁰⁹ On 1 April 2013, one of the support stations was opened in the city of Funabashi. It aims to provide free consultation and career consulting, job training, and workplace training to support occupation independence of youth.³¹¹⁰

During the compliance period Japan has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Evgeny Gushchin

Korea: +1

Korea has fully complied with the commitment on employment.

Korea has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 25 September 2012, the Korean government announced its Second Basic Plan for Vocational Skills Development for 2012-2017. Main targets of the plan include education and training of additional 200,000 skilled workers, raising the number of people participating in vocational

³¹⁰⁶ Enhancement of Employment Support for New School Graduates Experiencing Difficulty in Getting Hired, Ministry of Health, Labour and Welfare 18 January 2013. Date of Access: 11 February 2013. <http://www.mhlw.go.jp/stf/houdou/2r9852000002sw3r.html>.

³¹⁰⁷ MHLW's Employment Support Information for New/Recent Graduates to be Posted in the Private Companies' Student Job Information Site, Ministry of Health, Labour and Welfare 18 January 2013. Date of Access: 11 February 2013. <http://www.mhlw.go.jp/stf/houdou/2r9852000002svpl.html>.

³¹⁰⁸ The Survey on Job Offer Situation of Graduating University Students in FY2012, Ministry of Health, Labour and Welfare 18 January 2013. Date of Access: 11 February 2013. http://www.mhlw.go.jp/english/new-info/jan_2013.html.

³¹⁰⁹ Japanese Government to Improve Support for Youth Employment, Japan Daily Press 22 January 2013. Date of Access: 11 July 2013. <http://japandailynews.com/japanese-government-to-improve-support-for-youth-employment-2221964>.

³¹¹⁰ We Support Finding Employment of NEET, Stop-at-home, Youth!, Funabashi City Website 15 June 2013. Date of Access: 11 July 2013. <http://www.city.funabashi.chiba.jp.e.ce.hp.transer.com/kurashi/sangyou/0004/p020961.html>.

learning to 20% of the workforce, and strengthening vocational skills development support for vulnerable groups to cover 1.5 million people by 2016.³¹¹¹

On 15 October 2012, Korean Ministry of Employment and Labor (MOEL) amended the guidelines for subsidy programs for social enterprises. According to the amendments, social enterprises in the initial period of their development became eligible for subsidies stimulating the employment of professional workers, and the scope of costs borne by social enterprises, which can be covered, was expanded.³¹¹²

On 23 October 2012, Korean government amended the Act on Age Discrimination Prohibition in Employment and Aged Employment Promotion. According to the amendments, employers with 300 or more workers will be obliged to provide re-employment and business start-up training, as well as job placement for employees who “have to leave their jobs for involuntary reasons.”³¹¹³

On 19 November 2012, the MOEL issued the guidelines on cooperation between large companies and SMEs in the sphere of employment. The guidelines provide for measures large companies should take to support their partner SMEs in order to support skills improvement, for instance, establishing corporate universities and sending skilled workers to SMEs for sharing experience. The guidelines also contain recommendations to SMEs on increasing investment in their own training for skilled workers and creating conditions for skilled workers to retain them.³¹¹⁴

On 6 December 2012, the Korean Government announced the rise in penalty charges for enterprises failing to employ disabled people. Increasing the sum of charge from the minimum of KRW590 thousand to KRW626 thousand aims “to make employers more accountable for failing to employ disabled people and to encourage large companies to increase their ratio of disabled employees.”³¹¹⁵

On 31 January 2013, the MOEL opened six new Job Hope Centers for Middle-Aged People. These centers will provide such services as finding job offers for middle-aged job seekers, providing skills second-career development and planning, and outplacement for middle-aged workers at SMEs.³¹¹⁶

³¹¹¹ Government announces its 2nd basic plan for vocational skills development, Ministry of Employment and Labor of Korea 5 October 2012. Date of Access: 28 March 2013.

http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=945.

³¹¹² MOEL expand support for preliminary social enterprises to employ professional workers and create jobs, Ministry of Employment and Labor of Korea 15 October 2012. Date of Access: 28 March 2013.

http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=947.

³¹¹³ Cabinet approves amendment to the Act on Age Discrimination Prohibition in Employment and Aged Employment Promotion, Ministry of Employment and Labor of Korea 23 October 2012. Date of Access: 28 March 2013. http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=949.

³¹¹⁴ MOEL establishes guidelines on cooperation between large companies and SMEs to cultivate skilled workforce, Ministry of Employment and Labor of Korea 21 November 2012. Date of Access: 28 March 2013. http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=950.

³¹¹⁵ Workplaces failing to employ disabled people should pay at least 626,000 won per person in penalty charges next year, Ministry of Employment and Labor of Korea 13 December 2012. Date of Access: 28 March 2013. http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=960.

³¹¹⁶ MOEL designates 25 Job Hope Centers to provide outplacement services to middle-aged people, Ministry of Employment and Labor of Korea 12 February 2013. Date of Access: 28 March 2013. http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=969.

Korea has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 28 November 2012, the MOEL announced a set of measures to improve working environment for youth. The ministry will establish an integrated reporting system for young people subjected to unfair treatment at work by creating a related mobile application for smartphones and operating a complaint hotline. Furthermore, it will “strengthen workplace inspections by largely expanding the scope of workplaces subject to inspection and establishing a system of on-going inspection.”³¹¹⁷

On 10 January 2012, the MOEL decided to expand its youth internship program for SMEs. The program provides wage subsidies to SMEs, which offer internships to young people. The program introduced in 2009 has created about 30,000 jobs every year since its introduction. After the expansion, it will cover 50,000 beneficiaries per year.³¹¹⁸

During the compliance period Korea has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Mexico: +1

Mexico has fully complied with the commitment to combat unemployment.

Mexico has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 25 February — 8 March 2013, National Employment Fair, which involved 70 municipal fairs and offered more than 84 thousand vacancies, took place. The Fair was targeted at creating employment opportunities and promoting formal employment.³¹¹⁹

On 1 December 2012, the Federal Labour Law entered into force in Mexico, which is aimed at increasing formal employment in the country among other objectives.³¹²⁰

On 17 June 2013, Mexico and the ILO signed cooperation agreement on social protection floors, one of the pillars of which is the creation of quality formal employment.³¹²¹

³¹¹⁷ MOEL establishes comprehensive measures to improve working environment for youth, Ministry of Employment and Labor of Korea 28 November 2012. Date of Access: 28 March 2013.

http://www.moel.go.kr/english/topic/working_view.jsp?&idx=957.

³¹¹⁸ Youth internship program for SMEs to be expanded to cover 50,000 beneficiaries this year, Ministry of Employment and Labor of Korea 11 January 2013. Date of Access: 28 March 2013.

http://www.moel.go.kr/english/topic/employment_policy_view.jsp?&idx=965.

³¹¹⁹ Impulsa Secretaria del Trabajo y Prevision Social la generacion de oportunidades de empleo, The Mexican Secretariat of Labour and Social Welfare Information Bulletin. Date of Access: 7 July 2013.

http://www.stps.gob.mx/bp/secciones/sala_prensa/boletines/2013/marzo/bol_20.html.

³¹²⁰ Reforma Laboral, The Mexican Secretariat of Labour and Social Welfare Information. Date of Access: 7 July 2013. http://www.stps.gob.mx/bp/secciones/sala_prensa/index.html#.

³¹²¹ Mexico and the ILO sign cooperation agreement on social protection floors, International Labour Organization 17 June 2013. Date of Access: 7 July 2013. http://www.ilo.org/ilc/ILCSessions/102/media-centre/news/WCMS_216186/lang--en/index.htm.

Mexico has also taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

In September 2012, Multilateral Investment Fund, a member of the Inter-American Development Bank Group, released a new strategy for Youth Training Projects and set out the NEO as a priority for creating opportunities for young people. NEO implementation in Brazil and Mexico was used to demonstrate program implementation in action.³¹²²

According to January 2013 Financial Times Special Report on Investing in Young People, a project to train and create job placements for the under-30s is spreading across the Latin-American region. New Employment Opportunities (NEO), a scheme developed by Inter-American Development Bank (IDB) and International Youth Foundation (IYF), is a public-private initiative that aims to increase job opportunities and expand job training for young people in cooperation with participating private corporations. The program involves an initial investment from sponsors of USD37 million and is developed in Brazil, Chile, Colombia, Dominican Republic, Mexico, Panama, Peru and Uruguay.³¹²³

In February 2013, National Programme of Social Prevention of Violence and Crime was published which includes creation of formal employment, development of entrepreneurial spirit, especially for young people, as well as generation of temporary employment for the young, in its plan of action.³¹²⁴

GoodPRACS is a joint initiative on youth employment between the ILO (International Labour Organization) Youth Employment Programme and the University of Colima, Mexico. The programme is aimed at identifying and sharing best practices that have proved effective in promoting decent work for young people. The initiative was launched in March 2012 and the second phase started in April 2013. In the first phase, more than 100 practices from over 50 countries were received.³¹²⁵

On 21 March 2013, Mexican Labour Minister Alfonso Navarrete Prida reiterated the importance of creating employment opportunities for youth: “Ensuring decent work for the young and women is one of the priorities for Mexico.” He recognized specialized labour fairs (Jornadas de Acercamiento Laboral Específico (JALE)) as an innovative tool to match supply and demand on the labour market and, therefore, stimulate employment. JALE is aimed at identifying vacancies in specific industries and regions and matching them to the profile of the unemployed. Vocational training is provided in case of need to boost formal employment. One of Jornadas de

³¹²² Multilateral Investment Fund Releases New Strategy for Youth Training Projects, The official website of Inter-American Development Bank 14 September 2012. Date of Access: 12 February 2013. <http://www.iadb.org/en/news/announcements/2012-09-14/mif-briefing-on-job-training-programs-in-latin-america,10112.html>.

³¹²³ Investing in Young People 2013, By Financial Times from Financial Times 25 January 2013. Date of Access: 12 February 2013. <http://youtheconomicopportunities.org/resource/964/investing-young-people-2013>.

³¹²⁴ Bases del Programa Nacional para la Prevencion Social de la Violencia y la Delincuencia e Instalacion de la Commission Intersecretarial, Mexican Government February 2013. Date of Access: 7 July 2013. <http://www.gobernacion.gob.mx/archivosPortal/pdf/Bases120213.pdf>.

³¹²⁵ Global Employment Trends for Youth 2013, International Labour Organization 2013. Date of Access: 7 July 2013. http://ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_212423.pdf.

Acercamiento Laboral Específico took place in Nuevo Leon on 21 March 2013 and was targeted at young women.³¹²⁶

Mexico has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus it has been awarded a score of +1.

Analyst: Polina Arkhipova

Russia: +1

Russia has fully complied with the commitment on employment.

Unemployment rate in Russia in 2012 was estimated at the level of 5.4%.³¹²⁷

On 15 October 2012, Russian Government endorsed a set of measures to create more than 14,000 of specially equipped workplaces for people with disabilities in the labour market annually during next three years. About RUB900 million (USD30 million) will be allocated for this purpose in 2013 and approximately the same amount in 2014 and 2015.³¹²⁸

On 22 November 2012, the Russian Government adopted the State Program on Employment Creation. The program will be implemented in 2013-2020. About RUB570 billion (USD19 billion) will be spent from the federal budget.³¹²⁹ Unemployment, including among youth, will be tackled by enhancing apprenticeships, increasing flexibility of the labor market, stimulation of employment of people with children, enhancing training, development of information systems and databases on job offers, increasing labor force mobility and other measures.³¹³⁰

On 23 February 2013, Russian President adopted a law aimed at increasing employment of disabled persons.³¹³¹

During the compliance period Russia has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on employment.

In 2012, Saudi Arabia achieved record results and created 58478 jobs through Bab Rizq Jameel (BRJ), which is an initiative to address unemployment, with support of the Ministry of Labor and of the Ministry of Social Affairs, and in cooperation with the Saudi Credit and Saving Bank, National Commercial Bank (NCB) and other Governmental authorities. The program matches job seekers with jobs available at private sector companies, and introduces companies to qualified

³¹²⁶ Alfonso Navarrete Prida discurso durante la Jornada de Acercamiento Laboral Específico, The Mexican Secretariat of Labour and Social Welfare Information Bulletin 21 March 2013. Date of Access: 7 July 2013. http://www.stps.gob.mx/bp/secciones/sala_prensa/discursos/2013/marzo/dis_210313b.html.

³¹²⁷ Meeting on economic issues. 16 January 2013. <http://eng.kremlin.ru/news/4870>.

³¹²⁸ <http://www.government.ru/eng/docs/21565/>.

³¹²⁹ <http://www.government.ru/gov/results/21603/>.

³¹³⁰ <http://www.rosmintrud.ru/docs/government/90>.

³¹³¹ Legislation on Disabled Persons Employment Changed, 25 February 2013.

<http://kremlin.ru/acts/17572>.

male and females job seekers through BRJ database. The number of created in 2012 jobs included 1,316 small projects for males and 3,410 for females supported by microloans in the framework of the program.³¹³²

On 13 April 2013, the “Go Green” campaign was launched in the framework of Bab Rizq Jameel initiative. The goal of the new campaign is to support entrepreneurs in providing 10,000 jobs for Saudi citizens and thus to improve their level on Nitaqat program. In this project BRJ coordinates interviews and supplies the needed human resources.³¹³³ Nitaqat program, which is aimed at increasing the number of Saudi citizens employed in private sector companies, was announced by the Saudi Ministry of Labor in 2011. The program classifies Saudi private companies into premium, green, yellow and red categories. The first two have high Saudization rates, the latter two — low rates. The red category is penalized.³¹³⁴

In September 2012, Saudi Arabia decided to raise the minimum wage in the private sector up to USD800 a month in order to encourage its citizens to seek work in private companies.³¹³⁵

In 2012, unemployment rate in Saudi Arabia was 34% among women and 7% among men. In January 2013, women in Saudi Arabia were allowed to work in beauty shops, clothing, footwear and bag stores. They are still prohibited from many other jobs. In February 2013, the Ministry of Labor gave retailers 30 days to divide men and women employed in shops with walls not less than 1.6 meters high to comply with the Islamic Sharia law, which requires strict separation between persons of opposite sex who are not relatives. This regulation would encourage women to work and thus create about 44,000 new jobs.³¹³⁶

Saudi Arabia has been enforcing already existing labor laws through fighting illegal employment of foreign citizens so that to increase the employment of its own citizens. On 3 April 2013, the Kingdom announced an amnesty granting foreign workers a grace period until 3 July 2013 to correct their legal status or leave the country. Later the amnesty was extended to 3 November 2013.³¹³⁷ Inspectors in Saudi Arabia have been checking companies where suspect illegal workers are employed. Almost 800,000 illegal employees were deported in the period from the beginning of 2012 to April 2013. Also in March 2013, the government announced that expatriates can work only for their Saudi sponsors.³¹³⁸

Saudi Arabia has also taken actions directly aimed at youth.

³¹³² BRJ – Saudi Arabia creates 58,478 job opportunities during 2012 (unverified), Bab Ritz Jameel. Date of Access: 31 January 2013. http://www.babrizqjameel.com/news/news_details.aspx?news_id=297.

³¹³³ 200 companies advancing to Go Green With BRJ, Bab Ritz Jameel 22 June 2013. Date of Access: 4 July 2013. http://www.babrizqjameel.com/news/news_details.aspx?news_id=319.

³¹³⁴ Nitaqat paying off: Fakieh, Saudi Gazette 13 June 2013. Date of Access: 11 July 2013. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20130613169702>.

³¹³⁵ Saudi Arabia pushes private firms to raise pay for its nationals, 10 September 2012. Date of Access: 1 February 2013. <http://english.alarabiya.net/articles/2012/09/10/237179.html>.

³¹³⁶ Riyadh, a wall to divide women and men working in lingerie shops, AsiaNews, 2 February 2013. Date of Access: 3 February 2013. <http://www.asianews.it/news-en/Riyadh,-a-wall-to-divide-women-and-men-working-in-lingerie-shops-27033.html>.

³¹³⁷ Joy as King Extends Amnesty to Nov. 3, Arab News 2 July 2013. Date of Access: 4 July 2013. <http://www.arabnews.com/news/456804>.

³¹³⁸ Saudi Arabia Tackles Illegal Labor in Job-Creation Push, Bloomberg 4 April 2013. Date of Access: 4 July 2013. <http://www.bloomberg.com/news/2013-04-04/saudi-arabia-tackles-illegal-labor-in-job-creation-push.html>.

In 2012, the BRJ program provided on-the-job training opportunities, which helped young males and females receive training and sharpen their skills in areas required by the labor market, e.g. in mechanical, electrical and welding engineering. Young males and females could also acquire financial support for their micro business projects through BRJ.³¹³⁹

On 29 June 2012, under the aegis of Governor of the Makkah region Prince Khaled Al-Faisal, a job fair for Saudi youth was organized. More than 10,000 jobs were offered at the fair.³¹⁴⁰ The same fair was also organized on 22-23 June 2013.³¹⁴¹

On 8 July 2012, Saudi Arabia's Human Resources Development Fund (HRDF) announced to pay USD0.9 billion to private employment agencies in the Kingdom that employ youth — USD700 for each of the registered unemployed young people. Private employment agencies would receive money after the new recruits complete the trial period and get confirmed at their jobs.³¹⁴²

On 13 March 2013, Saudi Arabia signed an agreement with the software company SAP to create a unique competency center at the King Abdullah Economic City. The aim of the new center is to develop business, IT and leadership skills of the Saudi graduates and to prepare them for entering the job market.³¹⁴³

In May 2013, BRJ started “Makkah Hotels Program” to provide training and subsequent employment in private hotels for young people.³¹⁴⁴

During the compliance period Saudi Arabia has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

South Africa: +1

South Africa has fully complied with the commitment on employment.

South Africa has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 7 July 2012, South African Minister of Higher Education and Training Blade Nzimande launched a ZAR6.9 million (USD million) rural youth training project. The initiative is part of the Nkungumathe Youth Development Forum, “a community-based structure which was founded in 2003 with activities extending over three tribal areas and a number of community development

³¹³⁹ BRJ – Saudi Arabia creates 58,478 job opportunities during 2012 (unverified), Bab Ritz Jameel. Date of Access: 31 January 2013. http://www.babrizqjameel.com/news/news_details.aspx?news_id=297.

³¹⁴⁰ Jobs bonanza for Saudi youth, Arab News 28 June 2012. Date of Access: 4 February 2013. <http://arabnews.com/saudi-arabia/jobs-bonanza-saudi-youth>.

³¹⁴¹ Career fair attracts Saudi talent, Arab News 24 June 2013. Date of Access: 4 July 2013. <http://www.arabnews.com/news/456010>.

³¹⁴² SR 3.6 bn set aside for youth employment, Arab News 6 July 2012. Date of Access: 31 January 2013. <http://www.arabnews.com/sr-36-bn-set-aside-youth-employment>.

³¹⁴³ Saudia, SAP to combat youth unemployment, Trade Arabia 13 March 2013. Date of Access: 4 July 2013. http://www.tradearabia.com/news/EDU_232225.html.

³¹⁴⁴ BRJ launches the "hospitality training ending with employment program" in Makkah's hotels, Bab Ritz Jameel, 12 May 2013. Date of Access: 4 July 2013. http://www.babrizqjameel.com/news/news_details.aspx?news_id=311.

projects that are aimed at social change using available community resources with minimal support from government and local businesses.”³¹⁴⁵

On 4 September 2012, South African Minister of Higher Education and Training Blade Nzimande launched “a ground-breaking research project to develop a Labor Market Intelligence (LMI) system that will enable government and the private sector to make better decisions in matching skills demand to supply in the country.” It is planned that this labor market intelligence system will empower students and work-seekers to “make better informed education and skills decisions, which in turn will make them more attractive to employers and the economy in general.”³¹⁴⁶

On 25 September 2012, Deputy Minister of Higher Education and Training Mduzuzi Manana launched “ON THE JOB” Built Environment Training Programme, which is a result of a partnership between the Passenger Agency of South Africa (PRASA) and the Department of Higher Education and Training. The initiative will offer “on the job” training to students and would form part of PRASA’s preparations for the acquisition of the new rolling stock (trains) over the next 20 years. It is in line with the Government’s plans “to make sector skills training and development a priority especially in the critical areas that have been deemed to be experiencing a shortage of in-depth skills in South Africa.”³¹⁴⁷

During the compliance period South Africa has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Lyudmila Tarasenko

Turkey: +1

Turkey has fully complied with the commitment on employment.

Turkey has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 28 September 2012, the Turkish Employment Service (İŞKUR) signed a protocol with the Turkish General Directorate of Family and Community Services aimed at improving women’s employment. In the framework of the project it is planned to promote women’s employment in 5 Turkish provinces (Çorum, Erzurum, Gaziantep, Şanlıurfa and Trabzon).³¹⁴⁸

On 15 October 2012, the Turkish Employment Service (İŞKUR) decided to establish training programs for disabled and ex-convicted people. TRL3.6 million (about USD2 million) will be provided for the implementation of this project.³¹⁴⁹

³¹⁴⁵ Minister Blade Nzimande to launch R6, 9-million rural youth Project in Nkungumathe, Northern KwaZulu-Natal. 6 July 2012.

<http://www.dhet.gov.za/LinkClick.aspx?fileticket=DEkQe86hznc=&tabid=36>.

³¹⁴⁶ Minister Nzimande to launch ground-breaking Labour Market Intelligence System.

<http://www.dhet.gov.za/LinkClick.aspx?fileticket=tX%2f3fDYXrBY%3d&tabid=90&mid=2139>.

³¹⁴⁷ MEDIA ALERT: For immediate distribution

<http://www.dhet.gov.za/LinkClick.aspx?fileticket=4p5jSVfOEoo%3d&tabid=90&mid=2139>.

³¹⁴⁸ İŞKUR Kadın İstihdamı İçin Yönlendirme Ağı Gelişti, Türkiye İş Kurumu 28 September 2012. Date of Access: 30 January 2013. <http://www.iskur.gov.tr/default/KadinistihdamiYonlendirme.aspx>

³¹⁴⁹ İŞKUR’dan Özürlü ve Hükümlülere Kurs Desteği, Türkiye İş Kurumu 3 February 2013. Date of Access: 30 October 2012. <http://www.iskur.gov.tr/default/iskurdanozurhukumkurs.aspx>

On 15 January 2013, the Minister of Family and Social Policies Fatma Şahin at “Equality at Work Platform” meeting in Istanbul informed that the Ministry of Family and Social Policies and the Ministry of Labour and Social Security worked on non-discriminating female labor initiatives. Fatma Şahin announced that it was planned to “provide social security to part-time workers, as well as those who work from home, which would contribute to the employment of women. The first step to ensure this is having daycare centers at workplaces.”³¹⁵⁰ On 21 January 2013, the project “Annemin İşi Benim Geleceğim,” (My Mother’s Job, My Future) aimed at building daycare centers was launched. This initiative is based on the public-private cooperation agreement between the Ministry of Family and Social Policies, the Ministry of Science, Industry and Technology and Borusan Holding. It is planned to build daycare centers in 10 organized industrial zones, serving 10,000 female employees’ children up to six years old. Minister of Science, Industry and Technology Nihat Ergün mentioned that this project aimed “to contribute to women’s participation in economic life and also to provide safe places for their children’s education.”³¹⁵¹

On 27 May 2013, Turkish Development Minister Cevdet Yılmaz announced the Government’s work on a new five-year period plan within its “2023 vision” set of goals. The plan will contain measures to decrease unemployment in Turkey to 5%, including through stimulating labour force participation among women.³¹⁵²

Turkey has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 18 December 2012, Turkey launched a new grant scheme entitled “Promoting Youth Employment” in the framework of the Human Resources Development component of the European Union Instrument for Pre-Accession Assistance (IPA). The main objective of the scheme is to attract and retain more young people employed and decrease unemployment rate of youth. Under this grant scheme, young people will be provided with vocational training, and entrepreneurship and internship opportunities according to trained labour force requirements in certain sectors. The total budget of the initiative is EUR27 million. The Turkish Employment Agency is responsible for implementing the project.³¹⁵³

During the compliance period Turkey has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

³¹⁵⁰ Ministries cooperate for female labor Hurriyet Daily News & Economic Review 16 January 2013. <http://www.hurriyetdailynews.com/ministries-cooperate-for-female-labor.aspx?pageID=238&nID=39172&NewsCatID=344>

³¹⁵¹ More daycares to boost female employment Hurriyet Daily News & Economic Review 22 January 2013. <http://www.hurriyetdailynews.com/more-daycares-to-boost-female-employment.aspx?pageID=238&nID=39655&NewsCatID=347>

³¹⁵² Turkish government aims to reduce jobless rate to 5 percent, Hurriyet Daily News 28 May 2013. Date of Access: 5 July 2013. <http://www.hurriyetdailynews.com/turkish-government-aims-to-reduce-jobless-rate-to-5-percent.aspx?pageID=238&nID=47728&NewsCatID=347>.

³¹⁵³ INSTRUMENT FOR PRE-ACCESSION ASSISTANCE Human Resources Development Component, Human Resources Development Operational Programme is co-financed by the EU and the Republic of Turkey 18 December 2012. Date of Access: 4 february 2012. <http://ikg.gov.tr/web/Portals/0/Docs/ois/Promoting%20Youth%20Employment.pdf>

United Kingdom: +1

The UK has fully complied with the commitment on employment.

The UK has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 19 October 2012, the UK Government announced new GBP1 billion (USD1.5 billion) investment package for Regional Growth fund to safeguard more than 240,000 jobs over the long term. GBP697 million (USD1.05 billion) will go to the private sector. A further GBP358 million (USD537 million) will go to intermediaries such as local authorities and local enterprise partnerships to ensure that funding goes to local growth priorities in parts of the country that need it most.³¹⁵⁴

On 26 November 2012, the Department for Business, Innovation and Skills announced that more than 2,160 jobs will be created with the help of the UK Government's Advanced Manufacturing Supply Chain Initiative (AMSCI). The Government has offered approximately GBP30 million (USD45 million) for this program while the remaining GBP50 million (USD75 million) has been provided by private companies.³¹⁵⁵

On 28 February 2013, Deputy Prime Minister Nick Clegg announced GBP213 million (USD317 million) of joint government and industry (GBP73 million (USD108 million) from the government and GBP140 million (USD208 million) from business) investment to strengthen UK advanced manufacturing supply chains that will create over 11,000 new jobs and safeguard another 5,000.³¹⁵⁶

On 4 March 2013, Department for Communities and Local Government of the UK and Department for Work & Pensions of the UK announced the involvement of 150 additional specialists into the Troubled Families programme designed to help employ the members of such families.³¹⁵⁷

On 18 March 2013, the UK Government and industry pledged a long-term partnership launching the industrial strategy for aerospace. GBP2 billion (USD3 billion) of government-industry investment for aerospace will secure 115,000 high value jobs.³¹⁵⁸

³¹⁵⁴ Deputy Prime Minister: New £1 Billion Boost for Regional Growth, Department for Business, Innovation and Skills of the UK 19 October 2012. Date of Access: 28 January 2013.

<https://www.gov.uk/government/news/deputy-prime-minister-new-1-billion-boost-for-regional-growth>

³¹⁵⁵ Boost for UK Manufacturing Supply Chains, Department for Business, Innovation and Skills of the UK 26 November 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/boost-for-uk-manufacturing-supply-chains>

³¹⁵⁶ Advanced Manufacturing Supply Chain Fund to Create Thousands of New Jobs, Department for Business, Innovation and Skills of the UK 28 February 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/advanced-manufacturing-supply-chain-fund-to-create-thousands-of-new-jobs>

³¹⁵⁷ New Jobcentre Plus Advisers for Troubled Families, Department for Work & Pensions 4 March 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/new-jobcentre-plus-advisers-for-troubled-families>

³¹⁵⁸ Multi Billion Pound UK Commitment to Long-term Industrial Strategy, Department for Business, Innovation and Skills of the UK 18 March 2013. Date of Access: 5 July 2013.

<https://www.gov.uk/government/news/multi-billion-pound-uk-commitment-to-long-term-industrial-strategy>

The UK has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 29 August 2012, the Skills Minister of the UK John Hayes outlined new measures to help SMEs take on apprentices. New measures include among others improvement of the Apprenticeship Grant for Employers by making it simpler and more accessible to more employers and work with the people that SMEs look to for advice, including lawyers and accountants, to promote apprenticeships to their SME customers.³¹⁵⁹

On 11 September 2012, the Secretary of State for Business, Innovation and Skills of the UK Vince Cable announced that Siemens, Sembcorp and Nissan are some of the 34 businesses that had successfully bid to design the vocational training programs for young people and will receive a share of GBP67 million. It was made in the framework of the Employer Ownership Pilot program which will give businesses access to up to a total of GBP250 million (USD375 million) over two years.³¹⁶⁰

On 3 January 2013, Prime Minister David Cameron announced increase in funding by GBP30 million (USD45 million) to GBP110 million (USD165 million) over three years to the government's Start-Up loans scheme and extend of the age limit from 24 to 30 years old.³¹⁶¹

On 10 January 2013, the UK Skills Minister Matthew Hancock announced a new program to support 16-24 year-olds in developing the skills needed for apprenticeships and jobs. The program will include studies in English and Maths for those who need them and work preparation training (for example writing a CV or preparing for an interview).³¹⁶²

On 15 February 2013, Department for Education and Department for Work & Pensions of the UK announced the extension of the Youth Contract programme designed to help disengaged young people to return to work or training. The scheme will help an extra 15,500 16- and 17-year-olds.³¹⁶³

³¹⁵⁹ New Measures Announced to Help Small Employers Take on Apprentices, Department for Business, Innovation and Skills of the UK 29 August 2012. Date of Access: 28 January 2013.

<https://www.gov.uk/government/news/new-measures-announced-to-help-small-employers-take-on-apprentices>

³¹⁶⁰ £165m Skills Boost from Employer Ownership Pilot, Department for Business, Innovation and Skills of the UK 11 September 2012. Date of Access: 28 January 2013.

<https://www.gov.uk/government/news/165m-skills-boost-from-employer-ownership-pilot>

³¹⁶¹ £30 million Boost as Start-Up Loans for Young Entrepreneurs Expanded, Department for Business, Innovation and Skills of the UK 3 January 2013. Date of Access: 28 January 2013.

<https://www.gov.uk/government/news/30-million-boost-as-start-up-loans-for-young-entrepreneurs-expanded>

³¹⁶² Plans for Traineeship Scheme to Help Young People into Work, Department for Business, Innovation and Skills of the UK 10 January 2013. Date of Access: 28 January 2013.

<https://www.gov.uk/government/news/plans-for-traineeship-scheme-to-help-young-people-into-work>

³¹⁶³ Youth Contract Opened up to Help More Young People Who are NEET, Department for Work & Pensions 15 February 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/youth-contract-opened-up-to-help-more-young-people-who-are-neet>

On 24 June 2013, Prime Minister David Cameron announced a new programme to encourage young people to sign up to an engineering apprenticeship and to produce an additional 100,000 engineering technicians by 2018.³¹⁶⁴

On 24 June 2013, Business Secretary Vince Cable announced that young Northern Irish entrepreneurs aged between 18 and 30 will have access to the GBP117 million (USD174 million) Start-Up Loans fund which will help them to start their own businesses.³¹⁶⁵

During the compliance period the UK has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on employment.

The US has taken actions to combat unemployment through appropriate labor market measures and foster the creation of decent work and quality jobs, particularly for such vulnerable groups as formerly incarcerated people, seniors, disabled people and veterans.

On 17 July 2012, the US Department of Labor's Office of Disability Employment Policy and Administration on Intellectual and Developmental Disabilities signed a memorandum of agreement to expand and promote employment for individuals with significant, including intellectual and other developmental, disabilities.³¹⁶⁶

On 26 July 2012, the US Department of Labor announced USD260 million in grants to 15 nonprofit US organizations for providing job training and related services to unemployed, low-income seniors. Seniors would receive training through part-time, service-oriented positions in their communities while earning the highest of the federal, state or local minimum wage.³¹⁶⁷

On 2 August 2012, the US Department of Labor's Office of Disability Employment Policy announced a \$950,000 grant to finance the Accessible Technology Action Center, a new national

³¹⁶⁴ Prime Minister David Cameron has Today Announced a New Scheme Which Aims to Produce an Additional 100,000 Engineering Technicians by 2018, Department for Business, Innovation and Skills of the UK 24 June 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/prime-minister-announces-100000-new-engineering-apprentices>

³¹⁶⁵ First Start-up Loans for Young Northern Irish Entrepreneurs This Summer, Department for Business, Innovation and Skills of the UK 24 June 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/first-start-up-loans-for-young-northern-irish-entrepreneurs-this-summer>

³¹⁶⁶ US Labor Department's Office of Disability Employment Policy, Administration on Intellectual and Developmental Disabilities join forces, United States Department of Labor 17 July 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/odep/ODEP20121425.htm>.

³¹⁶⁷ US Labor Department Announces Nearly \$260 Million in Grants to Provide Job Training and Related Services to Unemployed, Low-income Seniors, United States Department of Labor 26 July 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/eta/ETA20121525.htm>.

resource that would facilitate the use of accessible technology in the hiring, employment, retention and career advancement of individuals with disabilities.³¹⁶⁸

On 21 August 2012, the US Department of Labor awarded USD11.5 million in grants for job training services to 5,500 veterans in fields such as software and computer services, construction, auto mechanics, security, logistics, nursing, physical and occupational therapy, hospitality and the culinary arts, among others.³¹⁶⁹

On 16 August 2012, the US Department of Labor announced a USD2.5 million grant to the West Virginia University Research Corporation to manage and operate the Office of Disability Employment Policy's Job Accommodation Network, a national technical assistance center that facilitates the employment and retention of workers with disabilities.³¹⁷⁰

On 25 September 2012, the federal government of the US announced a USD40 million "Make it in America Challenge" which aims to bring manufacturing back into the US, as well as to bring back jobs. To be eligible for an award, projects must encourage manufacturing in the US, fostering foreign direct investment or incentivizing U.S. companies to keep their businesses and jobs in the US and train local workers to meet the needs of those businesses.³¹⁷¹

On 18 March 2013, the US Department of Labor announced the availability of approximately USD20 million in grant funds to provide adult inmates with training and employment.³¹⁷²

On 15 May 2013, the US Department of Labor announced the availability of up to USD5 million in grants to provide job training and related services for homeless female veterans and veterans with families.³¹⁷³

On 26 June the US Department of Labor announced USD58 million in funding to 30 states for on-the-job and customized training of dislocated workers so they can acquire industry-recognized credentials that create new career opportunities.³¹⁷⁴

³¹⁶⁸ US Labor Department's Office of Disability Employment Policy Announces \$950,000 Grant to Establish Accessible Technology Action Center, United States Department of Labor 2 August 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/odep/ODEP20121581.htm>.

³¹⁶⁹ US Department of Labor Awards \$11.53 Million in Grants to Provide Job Training Services to 5,500 Veterans Nationwide, United States Department of Labor 21 August 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/vets/VETS20121738.htm>.

³¹⁷⁰ West Virginia University Research Corp. Awarded \$2.5 Million Grant to Manage, Operate Office of Disability Employment Policy's Job Accommodation Network, United States Department of Labor 16 August 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/odep/ODEP20121699.htm>.

³¹⁷¹ Obama administration announces \$40 million initiative to challenge businesses to 'make it in America', United States Department of Labor 25 September 2012. Date of Access: 9 February 2013. <https://www.dol.gov/opa/media/press/eta/ETA20121960.htm>.

³¹⁷² US Department of Labor announces \$20 million in grant funds available to help adult inmates in work release programs prepare to re-enter the workforce, United States Department of Labor 18 March 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/eta/eta20130499.htm>.

³¹⁷³ Grants available from US Labor Department to provide job training, employment services for 1,900 homeless female veterans, veterans with families, United States Department of Labor 15 May 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/vets/VETS20130903.htm>.

³¹⁷⁴ US Department of Labor announces \$58 million in state grants to train dislocated workers, United States Department of Labor 26 June 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/eta/ETA20131258.htm>.

On 27 June 2013, the US Department of Labor awarded USD29 million in grants to provide more than 14,000 veterans across the nation with job training, job placement and other services.³¹⁷⁵

The US has also taken actions directly aimed at youth.

On 21 June 2012, US Department of Labor awarded nearly USD50 million in grants to 25 organizations that would provide job training, education and employment services to formerly incarcerated youth and young adults aged 14-21.³¹⁷⁶

On 19 September 2012, US Secretary of Labor Hilda Solis announced USD500 million in grants to US community colleges and universities for the development and expansion of innovative training programs in the framework of the Trade Adjustment Assistance Community College and Career Training initiative, which promotes skills development and employment opportunities in advanced manufacturing, transportation and health care, as well as science, technology, engineering and math careers through partnerships between training providers and local employers.³¹⁷⁷

On 17 January 2013, the US Department of Labor made available USD75 million in YouthBuild grant funds which would be awarded to organizations that oversee education and employment services for disadvantaged youths in their communities. These grants would help 5 200 out-of-school youths complete high school or General Educational Development programs, as well as learn critical occupational skills in construction, health care, information technology and other fields.³¹⁷⁸

On 19 April 2013, USD474.5 million was made available from the US Labor Department to create and expand innovative partnerships between community colleges and businesses to educate and train workers with the skills employers need.³¹⁷⁹

On 6 June 2013, the US Labor Department awarded nearly USD32 million in grants to 12 community-based organizations that will provide job training, education and support services to formerly incarcerated youth and women.³¹⁸⁰

³¹⁷⁵ More than 14,000 veterans to be helped by almost \$29 million in grants awarded to 121 organizations by the US Department of Labor, United States Department of Labor 27 June 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/vets/VETS20131265.htm>.

³¹⁷⁶ US Department of Labor Awards Nearly \$50 Million to Provide Training and Employment Services to Formerly Incarcerated Juveniles and Young Adults, United States Department of Labor 21 June 2012. Date of Access: 3 February. <http://www.dol.gov/opa/media/press/eta/ETA20121275.htm>.

³¹⁷⁷ Obama Administration Announces \$500 Million in Community College Grants to Expand Job Training through Local Employer Partnerships, United States Department of Labor 19 September 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/eta/ETA20121885.htm>.

³¹⁷⁸ US Department of Labor Announces Availability of \$75 Million Through YouthBuild Grants Program to Help Young People Develop Job Skills, United States Department of Labor 17 January 2013. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/eta/ETA20130092.htm>.

³¹⁷⁹ Grants totaling \$474.5 million available from US Labor Department to strengthen training partnerships between community colleges and employers, United States Department of Labor 19 April 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/eta/ETA20130737.htm>.

³¹⁸⁰ US Department of Labor awards nearly \$32 million to provide training and employment services to formerly incarcerated juveniles and women, United States Department of Labor 6 June 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/eta/ETA20131138.htm>.

On 26 June 2013, the US Department of Labor awarded more than USD26 million in grants to improve long-term labor market prospects for youth aged 16 to 24 involved in the juvenile justice system. Eligible young people will get access to support services, training and skills development.³¹⁸¹

On 27 June 2013, the US Department of Labor awarded nearly USD72 million in YouthBuild grants to support academic and occupational skill training for at-risk youth aged 16 to 24. This program will help nearly 4,600 young people obtain the certifications and skills necessary to achieve economic self-sufficiency.³¹⁸²

The US has also taken actions to stimulate employment among youth with disabilities.

On 9 September 2012, the US Department of Labor awarded a USD1.1 million grant to the Institute for Educational Leadership in Washington, D.C. for the new National Technical Assistance and Demonstration Center on Preparing Youth with Disabilities for Employment. This grant would improve employment and postsecondary education outcomes for youths with disabilities.³¹⁸³

During the compliance period the United States has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

European Union: +1

EU has fully complied with the commitment on employment.

EU has taken actions to combat unemployment and foster the creation of decent work and quality jobs.

On 26 November 2012, the European Commission adopted a Decision to modernise and improve EURES, the pan-EU job search network, to make it easier for jobseekers to contact employers and to increase mobility of workers across Member States. The Decision is due to be implemented by the Commission and Member States by 1 January 2014.³¹⁸⁴

On 7 December 2012, the European Commission launched the EU Skills Panorama — a website with around 2 million job vacancies across the EU and information on skills needs to reduce skills mismatches and increase employment.³¹⁸⁵

³¹⁸¹ US Department of Labor awards more than \$26 million in grants to help juvenile offenders prepare to enter the workforce, United States Department of Labor 26 June 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/eta/ETA20131269.htm>.

³¹⁸² US Department of Labor awards nearly \$72 million in YouthBuild grants, United States Department of Labor 27 June 2013. Date of Access: 30 June 2013. <http://www.dol.gov/opa/media/press/eta/ETA20131279.htm>.

³¹⁸³ US Labor Department Awards More than \$1 Million to Manage, Operate National Center for Preparing Youths with Disabilities for Employment, United States Department of Labor 10 September 2012. Date of Access: 3 February 2013. <http://www.dol.gov/opa/media/press/odep/ODEP20121853.htm>.

³¹⁸⁴ Employment: Commission Improves EURES Jobseeker Mobility Network, European Commission 26 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1262_en.htm

³¹⁸⁵ Commission Launches EU Skills Panorama to Tackle Skills Mismatches, European Commission 7 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1329_en.htm

On 9 January 2012, the European Commission adopted the Entrepreneurship 2020 Action Plan to create new jobs in Europe.³¹⁸⁶ European Commission Vice President Antonio Tajani presenting an action plan announced that plan aims to provide education and training to potential entrepreneurs, improve access to finance for SMEs and other measures to promote entrepreneurship and increase employment in EU.³¹⁸⁷

On 22 March 2013, the European Commission provided EUR24.3 million to help more than 5,000 workers in Austria, Denmark, Finland, Italy, Romania, Spain and Sweden back into employment following their dismissals.³¹⁸⁸

EU has taken actions to combat unemployment and foster the creation of decent work and quality jobs directly aimed at youth.

On 20 November 2012, the European Commission launched a new strategy called Rethinking Education to encourage Member States to take action to ensure that young people develop the skills and competences needed by the labour market and to increase employment in future.³¹⁸⁹

On 5 December 2012, the European Commission proposed measures to help Member States tackle unacceptable levels of youth unemployment including introduction of the Youth Guarantee scheme to ensure that all young people up to age 25 receive a quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. The European Commission pledged to support Member States through EU funding, by promoting exchanges of good practice among Member States, monitoring implementation of Youth Guarantees and raising awareness.³¹⁹⁰

On 13 December 2012, László Andor, European Commissioner responsible for Employment, Social Affairs and Inclusion, announced the decision to reinforce support to young people with four initiatives: establishing a Youth Guarantee scheme supported by the European Social Fund; setting up a European quality framework for traineeships; improving the quality and the supply of apprenticeships with a European Alliance for Apprenticeships; and improving labour mobility for young people within Europe.³¹⁹¹

³¹⁸⁶ Speech: “Presentation of the Entrepreneurship 2020 Action Plan” by Antonio Tajani, European Commission Vice President responsible for Industry and Entrepreneurship, European Commission 9 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-13-5_en.htm

³¹⁸⁷ Unleashing Europe's Entrepreneurial Potential to Bring Back Growth, European Commission 9 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-13-12_en.htm

³¹⁸⁸ Employment: European Globalisation Fund Pays €24.3 Million to Help Redundant Workers in Austria, Denmark, Finland, Italy, Romania, Spain and Sweden, European Commission 22 March 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-269_en.htm

³¹⁸⁹ Commission Presents New Rethinking Education Strategy, European Commission 20 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1233_en.htm

³¹⁹⁰ Youth Employment: Commission Proposes Package of Measures, European Commission 5 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1311_en.htm

³¹⁹¹ Speech “Tackling the Dramatic Situation of Young People” by László Andor, European Commissioner responsible for Employment, Social Affairs and Inclusion, European Commission 13 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-12-953_en.htm

On 31 January 2013, László Andor announced that all EU Member States should implement Youth Guarantees.³¹⁹²

On 12 March 2013, the European Commission proposed operational rules to implement the Youth Employment Initiative to combat youth unemployment. The Initiative was proposed on 7-8 February 2013 with a budget of EUR6 billion for the period of 2014-20.³¹⁹³

On 2 July 2013, Commissioners Androulla Vassiliou (Education, Culture, Multilingualism and Youth) and László Andor (Employment, Social Affairs and Inclusion) launched the European Alliance for Apprenticeships which will help to fight youth unemployment by improving the quality and supply of apprenticeships across the EU.³¹⁹⁴

During the compliance period the EU has taken actions to combat unemployment and foster the creation of decent work and quality jobs, including the actions directly aimed at youth. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

³¹⁹² Speech “Labour Market: Cinderella of EU Recovery Strategy?” by László Andor, European Commissioner responsible for Employment, Social Affairs and Inclusion, European Commission 31 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-13-88_en.htm

³¹⁹³ Employment: Commission Proposes Rules to Make Youth Employment Initiative a Reality, European Commission 12 March 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-217_en.htm

³¹⁹⁴ Launch of European Alliance for Apprenticeships, European Commission 2 July 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-634_en.htm

14. Investment: Business Environment for Investors

Commitment [#47]

“Recognizing the importance of investment for boosting economic growth, we commit to maintaining a supportive business environment for investors.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy		0	
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score		0.95	

Background

Since 2008 the G20 leaders have made commitments regarding protectionism in trade and investment, renewing these commitments at each summit.

The need for a policy environment that supports sustainable private sector-led investment was recognized by the G20 as one of the six core principles of the Seoul Development Consensus and the Multi-Year Action Plan in 2010. At the Seoul Summit the G20 leaders asked the United Nations Conference on Trade and Development (UNCTAD) and the OECD to continue monitoring investment policy developments and to report publicly on a semi-annual basis.³¹⁹⁵

G20 leaders made the first direct commitment for a supportive business environment for international investors at the Los Cabos Summit in 2011.

³¹⁹⁵ Joint UNCTAD-OECD Reports on G20 Investment Measures, UNCTAD 2012.

<http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

Commitment Features

The commitment requires G20 members to take measures aimed at maintaining a supportive business environment for investors. At the request of the G20 UNCTAD and the OECD jointly prepare regular monitoring reports on G20 countries' investment policy measures. The OECD-UNCTAD Reports on G20 Investment measures list actions undertaken by members. Positive actions may include eliminating restrictions to international investment, improving clarity of procedures, ensuring free movements of capital, liberalizing procedures for foreign investments in specific sectors, etc.³¹⁹⁶

The countries can also support international investment agreements to address issues of cross-border investment. These agreements can be concluded on both a bilateral and a multilateral basis and can also include agreements on double taxation. The information on international investment agreements is included into the OECD-UNCTAD reports.³¹⁹⁷ The information on double taxation agreements is available at the Exchange of Tax Information Portal.³¹⁹⁸

Other sources of data include the OECD reports on investment measures under its Freedom of Investment process, in the 55 economies that participate in the process.³¹⁹⁹ UNCTAD's Investment Policy Monitor, a quarterly online publication, is also a useful country-specific, up-to-date information source on the latest developments in foreign investment policies, both at the national and international level, reviewing countries around the globe.³²⁰⁰ However, G20 national information resources are to be considered primary sources of data for the purposes of the analysis.

To register full compliance a member needs to take measures aimed at alleviating obstacles to foreign investment unilaterally and through participation in international investment agreements.

Scoring Guidelines

-1	Member takes no measures to maintain a supportive business environment for investors.
0	Member takes measures to maintain supportive business environment for investors unilaterally OR through participation in international investment agreements.
+1	Member takes measures to maintain a supportive business environment for investors unilaterally AND through participation in international investment agreements.

Lead Analyst: Andrei Sakharov

Argentina: +1

Argentina has fully complied with its commitment on investment.

Argentina has taken actions to maintain supportive business environment for investors unilaterally.

³¹⁹⁶ Joint UNCTAD-OECD Reports on G20 Investment Measures, UNCTAD 2012.
<http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

³¹⁹⁷ Joint UNCTAD-OECD Reports on G20 Investment Measures, UNCTAD 2012.
<http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

³¹⁹⁸ All Jurisdictions, Exchange of Tax Information Portal. <http://eoi-tax.org/jurisdictions/>.

³¹⁹⁹ Freedom of investment at the OECD, OECD.
<http://www.oecd.org/daf/internationalinvestment/investmentpolicy/foi.htm>.

³²⁰⁰ Investment Trends and Policies Monitors, UNCTAD.
<http://unctad.org/en/Pages/DIAE/DIAE%20Publications%20-%20Bibliographic%20Index/Investment-Policy-Monitors.aspx>.

On 5 July 2012 Argentina has reduced the tariffs on capital goods for MERCOSUR members to 2%.³²⁰¹

On 17-21 September 2012, the delegation of the Argentinian Ministry of Foreign Affairs and Worship visited the US (Austin, Houston and Atlanta) for boosting business, trade and investment opportunities in the software sector between both countries. IT sector is the most dynamic sectors in Argentina in the last years, thus IT partnerships are considered by Argentina as tools for economic development of the country. The main activities of the visit included seminars on investment opportunities in IT sector in Argentina provided in business centers and key companies — Coca-Cola, AT&T, Turner and Delta.³²⁰²

At the end of November 2012, the Argentine Ministry of Foreign Affairs and Worship organised a workshop on investments and trade with Russia. After the workshop the Russian delegation of entrepreneurs visited a number of Argentinian companies in energy, oil, nuclear technology, aeronautics, agricultural machinery, and food sectors. The Undersecretariat for Investment Development and Trade Promotion of the Argentine Foreign Ministry presented its Productive Investment Opportunity Database (BaPIP) to the Russian delegation members.³²⁰³

On 13-14 December 2012, the Argentine Embassy in China in cooperation with the Chinese Ministry of Trade organised a workshop on business opportunities in Argentina in Urumqi city, Xinjiang province. Argentina's business, investment and tourism opportunities were presented to local, provincial and national Chinese officials as well as representatives of 20 companies, local trade organisations and media.³²⁰⁴

At the end of January 2013, the Argentine Consulate General and the Trade Promotion Center in Mumbai, jointly with Eximbank India, organized a workshop to promote trade and investment in Chennai, India. 30 businessmen from both countries participated in the event. The Deputy Consul General for Argentina made the presentation on the topic "Argentina: a strategic destination to invest and do business." He strengthened that automotive sector in Argentina is increasing and needs the investments.³²⁰⁵

On 21 February 2013, the annual report on the activities carried out in 2013 within the Productive Investment Database (BaPIP) was published. According to the report, a number of investment opportunities available in Argentina had significantly increased. In 2012, 30 new investments opportunities were added to BaPIP and released on BaPIP official site in English and Spanish.

³²⁰¹ Incentivos a la Inversión. Ventajas de Invertir Hoy. Ministry of Foreign Affairs and Worship of Argentina 2012. Date of Access: 22 January 2013. http://www.inversiones.gov.ar/userfiles/apoyo-publico-a-la-inversion_0.pdf.

³²⁰² Argentina's software and IT services sector on a mission to the United States, Ministry of Foreign Affairs and Worship of Argentina 17 September 2012. Date of Access: 17 January 2013. <http://www.inversiones.gov.ar/en/argentinas-software-and-it-services-sector-mission-united-states>.

³²⁰³ Russia and Argentina: strengthening bilateral trade and investments Argentina, Ministry of Foreign Affairs and Worship of Argentina 3 December 2012. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/russia-and-argentina-strengthening-bilateral-trade-and-investments-argentina>.

³²⁰⁴ Seminar in China about business opportunities with Argentina, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 11 January 2013. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/seminar-china-about-business-opportunities-argentina>.

³²⁰⁵ Seminar in Chennai to promote trade and investment, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 4 February 2013. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/seminar-chennai-promote-trade-and-investment>.

These opportunities represent USD4.1 billion in investment in total. Most investments projects were implemented in renewable energies (21), industry (14), technology (13) and food (13).³²⁰⁶

In March 2013, a delegation of French entrepreneurs from wine, olive, apiary and aromatics industries visited the provinces of Córdoba, San Juan, Mendoza, Salta and Jujuy to explore investment opportunities. Representatives of the Undersecretariat for Investment Development and Trade Promotion of the Argentine Foreign Ministry demonstrated 10 investments projects of the Productive Investment Opportunities Database (BaPIP) to the French colleagues.³²⁰⁷

On 28 May 2013, two Argentine national universities (Cordoba and La Rioja) and two companies working on biotechnology and nanotechnology participated in TechConnect World 2013 — National Innovation Summit & Showcase (NISS) in Washington, the United States. TechConnect brings together the academic and business representatives from the investment funds, governments for demonstrating the innovative projects to attract investments. The Foreign Ministry of Argentina covered the registration fees of national participants. Argentinian delegation members demonstrated three projects promoted by the Database of Productive Investment Projects (BaPIP) for a large audience and held meetings with the potential investors. By participation in such events Argentina's Foreign Ministry aims to encourage foreign direct investment and "promote innovative investment projects in areas of cutting-edge technology (nanotechnology, biotechnology and health technologies, considered as strategic sectors by the national government)."³²⁰⁸

According to the latest joint UNCTAD-OECD Report on G20 Investment Measures³²⁰⁹ Argentina hasn't participated in International Investment Agreements (IIAs) and hasn't implemented any investment policy measures at national level during the period under review.³²¹⁰

However, on 13 September 2012, Argentina signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters aimed at cross border tax co-operation and information sharing. The convention has entered into force for Argentina since 1 January 2013.³²¹¹

On 3 October 2012, the Convention to prevent double taxation between Argentina and Russia came into force. The Convention was signed in Buenos Aires on 10 October 2001.³²¹²

³²⁰⁶ BaPIP's 2012 annual report: investment opportunities on the rise, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 21 February 2013. Date of Access: 6 July 2013.

<http://www.inversiones.gov.ar/en/bapips-2012-annual-report-investment-opportunities-rise>.

³²⁰⁷ French investors visit Argentina's provinces, Ministry of Foreign Affairs and Worship of Argentina 18 March 2013. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/french-investors-visit-argentinas-provinces>.

³²⁰⁸ Argentine innovators showcase their innovations at TechConnect World 2013, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 28 May 2013. Date of Access: 6 July 2013.

<http://www.inversiones.gov.ar/en/argentine-innovators-showcase-their-innovations-techconnect-world-2013>.

³²⁰⁹ OECD. Ninth Report on G20 Investment Measures 17 June 2013. Date of Access: 6 July 2013.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d9_en.pdf.

³²¹⁰ OECD. Eighth Report on G20 Investment Measures 31 October 2012. Date of Access: 16 January 2013. http://unctad.org/en/PublicationsLibrary/unctad_oecd2012d8_en.pdf.

³²¹¹ Argentina becomes the first South American country to become a Party to the Multilateral Convention, OECD Official Site 13 September 2012. Date of Access: 3 October 2012.

<http://www.oecd.org/tax/taxargentinabecomesthefirstsouthamericancountrytobecomeapartytothemultilateralconvention.htm>.

On 11 March 2013, Argentina and Spain signed a new double tax treaty to replace the former one which was terminated by the Argentinian Government in 2012. The treaty follows in general the OECD model with small differences in technical assistance services. Under the new treaty “shares and other equity participations fall within the general capital tax residual provision, under which the jurisdiction to tax is shared by the country of residence and the source country.”³²¹³

Argentina has taken measures to support business environment for investors unilaterally through participation in different international meetings and experience exchange, and concluded international investments agreements. Thus, Argentina is awarded a score of +1.

Analyst: Elizaveta Safonkina

Australia: +1

Australia has fully complied with the commitment on maintaining a supportive business environment for investors.

Australia has taken actions to maintain supportive business environment for investors unilaterally.

On 19 February 2013, the Australian Government has announced a USD1 billion plan, Australian Government’s Industry and Innovation Statement. The plan includes USD350 million in fresh venture capital funding, and approximately USD10 million for clinical trial reforms to attract more foreign investment to Australia’s pharmaceutical industry, particularly in clinical research.³²¹⁴

Australia has not concluded any international investment agreements during the monitoring period.³²¹⁵ However, on 1 January 2013, the Malaysia-Australia Free Trade Agreement, signed in May 2012, entered into force.³²¹⁶

On 1 March 2013, the Protocol on Investment for the Australia-New Zealand Closer Economic Relations (CER) agreement took effect, allowing investors from both Australia and New Zealand to benefit from lower compliance costs and greater legal certainty when investing in their Trans-Tasman neighbour.³²¹⁷

On 10 April 2013, China and Australia launched direct trading between the Australian Dollar (AUD) and the Chinese Renminbi (CNY), which is supposed to help lower currency conversion

³²¹² A Law of ratification of the Double Taxation Convention was signed, Official Site of the Russian President 3 October 2012. Date of Access: 6 July 2013. <http://www.kremlin.ru/acts/16584>

³²¹³ New double tax treaty signed between Argentina and Spain, International Law Office 10 May 2013. Date of Access: 6 July 2013. <http://www.internationallawoffice.com/newsletters/detail.aspx?g=95c6b312-00d1-4c77-97ff-a60319f83e06#New>.

³²¹⁴ Australia unveils A\$1bn innovation plan, Austrade 19 February 2013. Date of Access: 31 March 2013. <http://www.austrade.gov.au/Invest/Investor-Updates/2013/0219-Australia-unveils-A-1bn-innovation-plan>.

³²¹⁵ International agreements on trade and investment, Austrade. Date of Access: 31 March 2013. <http://www.austrade.gov.au/free-trade-agreements/default.aspx>.

³²¹⁶ Malaysia-Australia Free Trade Agreement (MAFTA), Austrade. Date of Access: 31 March 2013. <http://www.austrade.gov.au/MAFTA>.

³²¹⁷ Milestone in Investment Ties with New Zealand, Assistant Treasurer 1 March 2013. Date of Access: 13 July 2013. <http://assistant.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2013/022.htm&pageID=003&min=djba&Year=&DocType>.

costs, facilitate the use of CNY and AUD in bilateral trade and investment, and promote financial cooperation between the two countries.³²¹⁸

Australia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analysts: Andrei Sakharov & Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment on maintaining a supportive business environment for investors.

Brazil has taken actions to maintain supportive business environment for investors unilaterally.

On 23 August 2012, Brazil issued a Decree reducing the rate of the tax on financial transactions, levied on insurance policies issued to guarantee certain contractual obligations, from 7.38% to 0%. The reduction of the rate was part of the Government's plan to stimulate investment in logistic and infrastructure.³²¹⁹ On 19 December 2012, further amendments reducing the minimum average term for specific transactions were introduced.³²²⁰ On 12 June 2013, the tax rate for financial transactions was reduced from 6% to 0% for the foreign exchange transactions for the inflow of funds into Brazil.³²²¹

On 28 December 2012, Brazil introduced changes to transfer pricing rules for interest paid to related parties with the aim of simplifying compliance, reducing areas of controversy and attracting more investment.³²²²

In December 2012, a record number of 2,864 temporary import duty reductions were approved in 2012 since the scheme was established in 2001. The duty reduction scheme encourages investment in the expansion and restructuring of the national productive sector for goods and services through a temporary reduction in the import tax rate on capital goods and computer and telecommunications goods for which there is no equivalent national production. Total global investment linked to the import duty reductions amounted to USD45 billion in 2012.³²²³

³²¹⁸ China and Australia Announce Direct Currency Trading, Department of the Prime Minister and Cabinet 8 April 2013. Date of Access: 13 July 2013. <http://pmtranscripts.dpmc.gov.au/browse.php?did=19208>.

³²¹⁹ Decree 7,787, Official Gazette interpreted by T Magazine by Ernst&Young 23 August 2012. Date of Access: 30 January 2013. <http://tmagazine.ey.com/news/ibfd/brazil-tax-financial-transactions-amended-insurance-tax-rate-reduced/>.

³²²⁰ Decree No. 7,853, Official Gazette interpreted by T Magazine by Ernst&Young 19.12.2012. Date of Access: 30 January 2013. <http://tmagazine.ey.com/news/ibfd/brazil-tax-financial-transactions-amended-2/> (date of access: 30.01.2013).

³²²¹ Decree 8,023, Official Gazette interpreted by T Magazine by Ernst&Young 12 June 2013. Date of Access: 9 July 2013. <http://tmagazine.ey.com/news/ibfd/brazil-iof-certain-credit-transactions-reduced-0/>.

³²²² <http://tmagazine.ey.com/news/tax-alert/brazil-amends-transfer-pricing-rules-new-rules-deductibility-intercompany-interest-new-normative-instruction-tax-alert/>

³²²³ Brazilian Foreign Trade Chamber approves record number of industrial investment incentives in 2012, The official website of the Government of Brazil 26 December 2012. Date of Access: 30 January 2013. http://www.brasil.gov.br/news/history/2012/12/26/brazilian-foreign-trade-chamber-approves-record-number-of-industrial-investment-incentives-in-2012/newsitem_view?set_language=en.

On 16 May 2013, Brazilian Administrative Tax Appeals Council ruled that payments under employee profit-sharing plans are deductible for corporate income tax purposes.³²²⁴

Brazil has entered in a number of international investment agreements during the monitoring period.

On 16 January 2013, BNDEP and Belgian development agency Société Fédérale de Participations et d'Investissement (SFPI), signed an investment agreement to establish an Investment Fund for Environmental Innovation with initial committed equity of USD76.5 million. The Fund aims to make long-term investments in start-up companies with innovative profiles and will be made throughout the course of 2013 and until 2016.³²²⁵

On 23 May 2013, Brazil and Denmark signed a memorandum of understanding to promote trade and investment. Small and Medium enterprises were singled out as having great potential for developing cooperation between the two countries.³²²⁶

All things considered, Brazil has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with the commitment on maintaining a supportive business environment for investors.

Canada has taken actions to maintain supportive business environment for investors unilaterally.

On 29 June 2012, changes to the Telecommunications Act received Royal Assent. These changes liberalized foreign investment in the telecom sector, allowing foreign investors to invest in telecommunications companies that have a market share of no more than 10 percent.³²²⁷

On 7 December 2012, Canadian Minister of Industry Christian Paradis in a policy statement announced clarifications to the foreign investment review process and Revised Guidelines for Investments by State-Owned Enterprises. "Trade and investment are a key part of our plan and that's why our Government is opening new markets for Canadian businesses while welcoming foreign investment in the Canadian economy." Among the measures announced by the Minister

³²²⁴ Brazil: Administrative Tax Appeals Council rules that payments under employee profit-sharing plans are deductible, T Magazine by Ernst&Young 31 May 2013. Date of Access: 10 July 2013. <http://tmagazine.ey.com/news/ibfd/brazil-administrative-tax-appeals-council-rules-payments-employee-profit-sharing-plans-deductible/>.

³²²⁵ BNDESPAR and Belgian development agency will transfer capital to investment fund, The official website of The Brazilian Development Bank (BNDES) 18 January 2013. Date of Access: 3q January 2013. http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Press/Noticias/2013/20130118_belga.html.

³²²⁶ Brazil and Denmark sign agreement to promote trade and investment, The official website of the Government of Brazil 23 May 2013. Date of Access: 70 July 2013. <http://www.brasil.gov.br/news/history/2013/05/23/brazil-and-denmark-sign-agreement-to-promote-trade-and-investment>.

³²²⁷ Eighth Report on G20 Investment Measures, UNCTAD 31 October 2012. Date of Access: 11 February 2013. http://unctad.org/en/PublicationsLibrary/unctad_oecd2012d8_en.pdf.

was the improvement of Canada's foreign investment review process aimed at focusing on the most significant transactions by progressively increasing the review threshold to \$1 billion.³²²⁸

Canadian Economic Action Plan 2013 tabled in the House of Commons on 21 March 2013 aims to improve business environment in the country through a wide range of measures:

supporting small and medium enterprises with a new USD20 million pilot program "that will enable hundreds of small and medium-sized enterprises to commercialize their products and move them to market more quickly and effectively" and extending the Hiring Credit for Small Business program for one year;

promoting Venture Capital Action Plan with approximately USD60 million to expand the services offered by business incubator and accelerator organizations, with further USD100 million investment to the Business Development Bank of Canada to invest in firms graduating from business accelerators.

Promoting entrepreneurial culture in the country by introducing awards "that celebrate the achievements, mentorship, risktaking and resilience of Canadian entrepreneurs."³²²⁹

Canada has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 9 September 2012, the Canadian government signed a Foreign Investment Promotion and Protection Agreement (FIPA) with China. Its primary purpose is to provide greater protection to foreign investors. Chinese investors have expressed increasing interest in investing in Canada, and the Canada-China FIPA will facilitate these investment flows by making Canada more attractive to investors.³²³⁰

On 12 October 2012, Canadian Prime Minister Stephen Harper announced that the negotiations on Canada-Senegal Foreign Investment Promotion and Protection Agreement (FIPA) were concluded.³²³¹

On 26 June 2013, Canada's Minister of International Trade and Minister for the Asia-Pacific Gateway Ed Fast announced the conclusion of the eighth round of negotiations toward a Canada-India comprehensive economic partnership agreement. "I am pleased to announce that progress continues to be made and that both sides remain committed to strengthening the Canada-India trade and investment relationship," said the Minister.³²³²

³²²⁸ Government of Canada Releases Policy Statement and Revised Guidelines for Investments by State-Owned Enterprises, Canada News Centre 7 December 2012. Date of Access: 11 February 2013. <http://news.gc.ca/web/article-eng.do?nid=711489>.

³²²⁹ Jobs, Growth and Long-Term Prosperity – Economic Action Plan, Government of Canada 21 March 2013. Date of Access: 27 June 2013. <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>.

³²³⁰ Canada-China Foreign Investment Promotion and Protection Agreement (FIPA) Negotiations, Foreign Affairs and International Trade Canada 9 September 2012. Date of Access: 10 February 2013. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/china-chine.aspx?view=d>.

³²³¹ Canada-Senegal Foreign Investment Promotion and Protection Agreement (FIPA), Prime Minister of Canada 12 October 2012. Date of Access: 11 February 2013. <http://www.pm.gc.ca/eng/media.asp?id=5087>.

³²³² Harper Government Marks Conclusion of Eighth Round of Negotiations toward Canada-India Trade Agreement, Foreign Affairs, Trade and Development Canada 26 June 2013. Date of Access 28 June 2013. http://www.international.gc.ca/media_commerce/comm/news-communiques/2013/06/26a.aspx?lang=eng.

Canada has taken actions to maintain supportive business environment for investors both unilaterally and through international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

China: +1

China has fully complied with the commitment on maintaining a supportive business environment for investors.

China has taken actions to maintain supportive business environment for investors unilaterally.

On 20 June 2012, the National Energy Administration stated: “China will open all energy sectors listed in the national energy plan to private investors” and that way “create favourable environment for private investors and ensure their justified rights in energy exploitation and development.”³²³³

On 10 July 2012, the General Administration of Press and Publication said in a statement that “the administration will support private investment in establishing printing and publishing enterprises, in publication distribution businesses, digital publishers, including online gaming, mobile reading, e-book and software industries. Also the administration will encourage private funds to invest in marketing and advertising businesses of official newspapers and magazines. Private investors who wish to build industrial publishing centers will enjoy equal treatment from the Chinese government in terms of project arrangements, financial support and preferential tax policies.”³²³⁴

On 19 July 2012, a guideline jointly created by the central government’s defence industry supervisor and the General Armament Department of the People’s Liberation Army stated “private investors and state-owned military enterprises will receive equal treatment in multiple areas, including licensing and taxation.”³²³⁵

On 28 July 2012, China eased control on investments made by qualified foreign institutional investors (QFIIs), according to a revised QFII regulation released by the China Securities Regulatory Commission. Now the QFII threshold lowers, allows QFIIs to invest in the nation’s capital market through more than one securities dealer, to invest in the interbank bond market and private placement bonds issued by small and medium-sizes enterprises and hold up to a 30-percent stake in a listed company, up from the previous 20-percent stake cap.³²³⁶

On 9 September 2012, at the 16th International Fair for Investment and Trade in Xiamen, China officials said China will continue to promote and facilitate the flow of cross-border investment,

³²³³ China encourages further private energy investment, Economic and Commercial counsellor’s office of the Embassy of the People’s Republic of China in Ireland 20 June 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-06/20/c_131666635.htm.

³²³⁴ China supports private funds for publishing, the Government of China 10 July 2012. Date of Access: 11 February 2013. http://english.gov.cn/2012-07/11/content_2180990.htm.

³²³⁵ China encourages private investment in defense sector, the Government of China 19 July 2012. Date of Access: 11 February 2013. http://english.gov.cn/2012-07/19/content_2187421.htm.

³²³⁶ China relaxes QFII rules to attract overseas investment, Xinhua News Agency 28 July 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/business/2012-07/28/c_131744576.htm.

because “international investments is a major driver for global economic growth,” which creates better environment for business investment.³²³⁷

On 16 December 2012, China promised in the statement, which was issued after a central economic work conference closed, that it will continue to protect foreign investors’ rights and their intellectual property rights and step up efforts to stabilize foreign direct investments inflows.³²³⁸

On 6 June 2013, Chinese president Xi Jinping pledged that China will protect the lawful rights and interests of foreign investors during his speech at the 2013 Fortune Global Forum.³²³⁹

China has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 26 July 2012, China and Chile signed an agreement to establish a consultation mechanism to promote bilateral investment.³²⁴⁰

On 12 November 2012, China and Nepal signed bilateral agreement in Kathmandu about exchanging allowing 7787 items which covers all major exports of Nepal to be exported to China free of tariff.³²⁴¹

On 8 February 2013, European Commission President Jose Manuel Barroso at a press conference following the summit announced that the European Union plans to start negotiations on investment agreement with China, which priorities should be directed on investment, market access, procurement and intellectual property rights and “be based on a constructive and strategic engagement.”³²⁴²

During the compliance period China has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

³²³⁷ China vows to facilitate cross-border investment, Economic and Commercial counsellor’s office of the Embassy of the People’s Republic of China in the Republic of Finland 9 September 2012. Date of Access: 11 February 2013. <http://fi2.mofcom.gov.cn/article/chinanews/201209/20120908355914.shtml>

³²³⁸ China vows to protect foreign investors’ interests, Economic and Commercial counsellor’s office of the Embassy of the People’s Republic of China in the Republic of Singapore 16 December 2012. Date of Access: 11 February 2013. <http://sg2.mofcom.gov.cn/article/chinanews/201212/20121208487540.shtml>

³²³⁹ China to protect investors’ interests: President Xi, Ministry of National Defense of the People’s Republic of China 6 June 2013. Date of Access: 5 July 2013. http://eng.mod.gov.cn/TopNews/2013-06/07/content_4454580.htm

³²⁴⁰ China, Chile vow to promote investment, Xinhua News Agency 26 July 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-07/27/c_131742906.htm

³²⁴¹ China, Nepal sign letter of exchange on zero tariff, the Government of China 12 November 2012. Date of Access: 11 February 2013. http://www.gov.cn/misc/2012-11/12/content_2263280.htm

³²⁴² EU wants early start of investment agreement negotiations with China, Xinhua News Agency 8 February 2013. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/world/2013-02/09/c_132160851.htm

France: +1

France has fully complied with the commitment on maintaining a supportive business environment for investors.

France has taken actions to maintain supportive business environment for investors unilaterally.

On 9 January 2013, the Minister of Economy and Finance, the Minister of Trade and Minister of Productive Recovery presented conception to strengthen investment attractiveness of France. To achieve these objectives, the Government ensures the implementation of several tax, financial and employability measures to facilitate the reception of investors.³²⁴³

France has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

In accordance to 8th UNCTAD-OECD Report on G20 Investment Measures, from May to October 2012, France amended the investment policies related to national security and specified the scope of the sectors in which foreign investment is subject to prior authorization and participated in one international investment agreement (IIA).³²⁴⁴

During the compliance period France has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Vitaliy Nagornov

Germany: +1

Germany has fully complied with the commitment on maintaining a supportive business environment for investors.

Germany has taken actions to maintain supportive business environment for investors unilaterally.

On 15 August 2012, the Federal Government adopted the draft Act to modernise the Foreign Trade and Payments Act. Substantive changes are planned in the case of the provisions on fines and imprisonment for violations. Certain special German provisions referring to the export of dual-use goods are to be revoked. By adopting these changes, the Federal Government is aiming to provide modern, clearly worded export control rules for German exporters.³²⁴⁵

On 19 December 2012, the German Cabinet approved the draft of an Act on Promoting and Regulating Fee-Based Advice on Financial Instruments (Fee-Based Investment Advice Act). The law represents an additional building block in the new regulatory framework for financial markets and strengthens the rights of investors. This law promotes investment advice that is independent

³²⁴³ L'attractivité, une ambition partagée pour renforcer l'emploi et l'activité en France
09 January 2013. Portail du Gouvernement. URL : <http://www.gouvernement.fr/gouvernement/l-attractivite-une-ambition-partagee-pour-renforcer-l-emploi-et-l-activite-en-france>

³²⁴⁴ Eighth Report on G20 Investment Measures. OECD. 31 October 2012 URL:
http://unctad.org/en/PublicationsLibrary/unctad_oecd2012d8_en.pdf

³²⁴⁵ Revision of the Foreign Trade and Payments Act approved by cabinet, Federal Ministry of Economics and Technology 15 August 2012. Date of access: 3 February 2013.
<http://www.bmwi.de/English/Navigation/Press/press-releases.did=503734.html>

and based exclusively on fees. Fee-based investment advisers are not allowed to take commission from the companies or third parties whose products they sell.³²⁴⁶

On 15 May 2013, the Initiative “Investitionszuschuss Wagniskapital,” which supports business angels in the EU, was officially launched by the German Government.³²⁴⁷ The initiative is all about promoting angel investments in European startups by giving investors 20 per cent of their investments of up to USD322 thousand back. The German Minister of Finance and Economics, Philipp Rösler promised a total of USD193 million for the programme.³²⁴⁸

Germany has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

In August 2012, the second German-Chinese Intergovernmental Consultations were held. German Minister of Economics and Technology Philipp Rösler used this visit to build further on the bilateral co-operation. The agenda includes not only the equal treatment of German and Chinese companies, but also the question of China’s accession to the WTO Government Procurement Agreement and closer co-operation on raw materials policy and in the field of standardisation and certification.³²⁴⁹

On 14 October 2012, Germany and Singapore have agreed to enhance their cooperation in tax matters to tackle cross-border tax evasion. Both sides have agreed to incorporate the internationally agreed Standard for Exchange of Information into their avoidance of double taxation agreement. The agreement will come into force after ratification by both sides domestically.³²⁵⁰

On 24 October 2012, during the first session of the Joint Economic Commission, which is headed by Anne Ruth Herkes, State Secretary in the Federal Ministry of Economics and Technology, and Morocco’s Minister of Trade, Abdelkader Amara, the government representatives of both sides signed a joint protocol on cooperation especially in the fields of energy, investments and business cooperation.³²⁵¹

³²⁴⁶ German Government regulates fee-based investment advice, creating new model which gives investors greater transparency, Federal Ministry of Finance 19 December 2012. Date of access: 3 February 2013. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-12-18-PM85.html>

³²⁴⁷ Venture capital investment grant, Federal Office of Economics and Export Control 15 May 2013. Date of access: 1 July 2013. http://www.bafa.de/bafa/de/wirtschaftsfoerderung/investitionszuschuss_wagniskapital/

³²⁴⁸ German government supports angel investments with 20 per cent funding boost, Venture Village 21 May 2013. Date of access: 1 July 2013. <http://venturevillage.eu/german-government-boost-angel-investments-by-providing-20-per-cent-of-funding-amount>

³²⁴⁹ Rösler: Building on our co-operation with China, Federal Ministry of Economics and Technology 29 August 2012. Date of access: 3 February 2013. <http://www.bmwi.de/English/Navigation/Press/press-releases.did=505904.html>

³²⁵⁰ Germany and Singapore to enhance tax cooperation in exchange of information, Federal Ministry of Finance 14 October 2012. Date of access: 3 February 2013. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-10-14-PM65.html>

³²⁵¹ Rösler: Joint Economic Commission strengthens German-Moroccan economic relations, Federal Ministry of Economics and Technology 24 October 2012. Date of access: 3 February 2013. <http://www.bmwi.de/English/Navigation/Press/press-releases.did=522032.html>

During the compliance period Germany has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Yulia Ovchinnikova

India: +1

India has fully complied with the commitment on maintaining a supportive business environment for investors.

India has taken actions to maintain supportive business environment for investors unilaterally.

On 25 June 2012, the Reserve Bank of India (RBI) modified its policies on External Commercial Borrowings (ECB). According to the new policies, companies in manufacturing and infrastructure sectors are allowed to borrow up to USD10 billion to repay outstanding Rupee loans or for fresh Rupee capital expenditure. The approved limit of ECB for companies is 50% of their average annual export earnings during the past three financial years.³²⁵²

On 25 June 2012, the RBI raised the limit for foreign institutional investors' investment in government securities from USD15 billion to USD20 billion, allowed additional types on investors to invest in these securities, and relaxed some requirements for qualified foreign investors willing to invest in infrastructure debt.³²⁵³ On 24 January 2013, the limit for foreign institutional investors' investment in government securities was raised from USD20 billion to USD25 billion.³²⁵⁴

On 2 July 2012, the RBI issued the Master Circular on Foreign Investment in India, which will be in force till 1 July 2013. This circular aggregates the rules related to foreign investment and clarifies the details of investment process in India.³²⁵⁵

On 16 July 2012, the RBI granted Qualified Foreign Investors the right to invest in Indian corporate debt securities under certain conditions.³²⁵⁶

On 1 August 2012, India allowed individuals and entities from Pakistan incorporated to make investments in India in all industries, except defense, space and atomic energy spheres.³²⁵⁷

³²⁵² External Commercial Borrowings (ECB) – Repayment of Rupee loans, Reserve Bank of India 25 June 2012. Date of Access: 29 March 2013. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=7291&Mode=0>.

³²⁵³ Foreign investment in India by SEBI registered FIIs in Government securities and SEBI registered FIIs and QFIs in infrastructure debt, Reserve Bank of India 25 June 2012. Date of Access: 29 March 2013. http://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=7292.

³²⁵⁴ Foreign investment in India by SEBI registered FIIs in Government securities and corporate debt, Reserve Bank of India 24 January 2013. Date of Access: 29 March 2013. <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7823&Mode=0>.

³²⁵⁵ Master Circular on Foreign Investment in India, Reserve Bank of India 2 July 2012. Date of Access: 29 March 2013. <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7355&Mode=0>.

³²⁵⁶ Scheme for Investment by QFIs in Indian corporate debt securities, Reserve Bank of India 16 July 2012. Date of Access: 29 March 2013. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=7456&Mode=0>.

³²⁵⁷ Press Note No.3 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 15 August 2012. Date of Access: 29 March 2013. http://dipp.gov.in/English/acts_rules/Press_Notes/pn3_2012.pdf.

On 20 September 2012, India allowed foreign airlines to own up to 49% in scheduled and non-scheduled air transport services. Previously, allowed foreign investment in airlines was limited to foreigners that were not themselves airlines. However, the new regulation provides for some restrictions: investors should be registered within India, and the chairperson and at least two thirds of directors should be Indian citizens.³²⁵⁸

On 20 September 2012, India raised the limit for foreign investment in the sector of mobile TV and cable networks from 49% to 74%.³²⁵⁹

On 3 October 2012, Indian government allowed nonbanking financial corporations which have foreign investment between 75% and 100% and minimum capitalization of USD50 million to establish step-down subsidiaries without any restriction on their number and without bringing in additional capital.³²⁶⁰

On 21 December 2012, India announced an increase in the ceiling for foreign direct investment in Assets Reconstruction Companies (ARC) from 49% to 74%.³²⁶¹ On 5 April 2013, this measure became effective.³²⁶²

On 24 January 2013, the Reserve Bank of India liberalized Foreign Institutional Investors (FII) investment in government securities and bonds issued by Indian companies by increasing upper limits for these types of investment.³²⁶³ On 1 April 2013, the limits for investments made by FII registered with Securities and Exchange Board of India (SEBI) were further increased.³²⁶⁴

India has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 20 July 2012, a double taxation convention between India and Lithuania, signed on 26 July 2011, entered into force.³²⁶⁵

³²⁵⁸ Press Note No.6 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 20 September 2012. Date of Access: 29 March 2013. http://dipp.nic.in/english/acts_rules/Press_Notes/pn6_2012.pdf.

³²⁵⁹ Press Note No.7 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 20 September 2012. Date of Access: 29 March 2013. http://dipp.nic.in/english/acts_rules/Press_Notes/pn7_2012.pdf.

³²⁶⁰ Press Note No.9 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 3 October 2012. Date of Access: 29 March 2013. <http://rbidocs.rbi.org.in/rdocs/content/pdfs/PRN03102012.pdf>.

³²⁶¹ Government Reviews Foreign investment Policy for Assets Reconstruction Sector; Ceiling for FDI in ARCs increased from 49% to 74%, Press Information Bureau, Government of India 21 December 2012. Date of Access: 10 July 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=91117>.

³²⁶² Consolidated FDI Policy (Effective from April 5, 2013), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 5 April 2013. Date of Access: 10 July 2013. http://dipp.nic.in/English/Policies/FDI_Circular_01_2013.pdf.

³²⁶³ Reserve Bank of India Circular No.80, Reserve Bank of India 22 January 2013. Date of Access: 10 July 2013. http://rbidocs.rbi.org.in/rdocs/notification/PDFs/FIFGS240113_F.pdf.

³²⁶⁴ Reserve Bank of India Circular No.94, Reserve Bank of India 1 April 2013. Date of Access: 10 July 2013. <http://rbidocs.rbi.org.in/rdocs/notification/PDFs/94APDIRS010413.pdf>.

³²⁶⁵ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

On 20 July 2012, a double taxation convention between India and Estonia, signed on 19 September 2011, entered into force.³²⁶⁶

On 27 July 2012, India signed a double taxation convention with Indonesia, which has not entered into force yet.³²⁶⁷

On 15 October, a double taxation convention between India and Ethiopia, signed on 25 May 2011, entered into force.³²⁶⁸

On 30 October 2012, India signed a double taxation convention protocol with the UK, which has not entered into force yet.³²⁶⁹

On 26 December 2012, a double taxation convention between India and Malaysia, signed on 9 May 2012, entered into force.³²⁷⁰

On 26 October 2012 India signed a double taxation convention protocol with Spain, on 7 January 2013 — with Sweden, and on 29 January 2013 — with Poland. All these protocols have not entered into force yet.³²⁷¹

On 8 April 2013, India signed a double taxation convention with Malta, which has not entered into force yet.³²⁷²

During the compliance period India has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Indonesia: +1

Indonesia has fully complied with the commitment on maintaining a supportive business environment for investors.

Indonesia has taken actions to maintain supportive business environment for investors unilaterally.

On 21 September 2012, Indonesian Coordinating Minister for Economic Affairs M. Hatta Rajasa and Azerbaijan Minister of Economic Development Shahin Mustafayev agreed to establish a bilateral Joint Commission on Economic Cooperation. The commission will deal with different issues, including investment cooperation. Indonesian Coordinating Minister for Economic Affairs

³²⁶⁶ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁶⁷ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁶⁸ India, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁶⁹ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁷⁰ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁷¹ India, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁷² India, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

mentioned that his country is interested in Azerbaijan investment “in the mineral and mining sectors.” The Investment Guarantee Agreement and the Agreement on the Elimination of Double Taxation were proposed as a means of facilitating economic cooperation between the two countries. Both agreements were expected to be finalized during the official visit of the Azerbaijan President Ilham Aliyev to Indonesia in November 2012. However, this visit was postponed.³²⁷³

On 8 October 2012, Indonesia Investment Coordinating Board (BKPM) chairman Chatib Basri announced an intent to reduce the amount of time it takes to set up businesses in Indonesia and thus attract more foreign investment and raise the level of country’s competitiveness. Chatib Basri mentioned that since taking office in June 2012, he had launched a new standard operating procedure. As a result, any queries to the BKPM by email are now considered and answered within 48 hours using a help desk “similar to the customer service function of a bank.”³²⁷⁴

On 24 October 2012, BKPM officially launched its Online Tracking System. Within this system, each foreign investor is given a reference number that helps to track down the status of business license applications online.³²⁷⁵

On 19 February 2013, BKPM announced that it would revise its negative investment list, made up of sectors partially or fully closed for foreign investment, in an attempt to radically increase investments from abroad in the country.³²⁷⁶

Indonesia has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 27 July 2012, Indonesia signed a double taxation convention with India.³²⁷⁷

On 15 March 2013, BKPM signed a memorandum of understanding (MoU) with the Korea International Trade Association (KITA). BKPM officials hope this MoU will allow attracting more investment from South Korean companies in Indonesian economy.³²⁷⁸

During the compliance period Indonesia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

³²⁷³ Indonesia and Azerbaijan Agreed to Boost Economic Cooperation, Ministry of Foreign Affairs of Indonesia 21 September 2012. Date of Access: 10 February 2013. <http://www.deplu.go.id/Pages/News.aspx?IDP=5824&l=en+1>.

³²⁷⁴ Easing the Path to Investing in Indonesia, Indonesia Investment Coordinating Board 8 October 2012. Date of Access: 10 February 2013.

http://www4.bkpm.go.id/contents/news_detail/113501/Easing+the+Path+to+Investing+in+Indonesia.

³²⁷⁵ Launching Online Tracking System, Indonesia Investment Coordinating Board 24 October 2012. Date of Access: 10 February 2013. <http://www3.bkpm.go.id/mobile/content/news.php?i=115301&l=1&m=40>.

³²⁷⁶ RI plans to revise negative investment list, Indonesia Investment Coordinating Board 19 February 2013. Date of Access: 4 July 2013.

http://www4.bkpm.go.id/contents/news_detail/124601/RI+plans+to+revise+negative+investment+list.

³²⁷⁷ Indonesia, Exchange of Tax Information Portal. Date of Access: 10 February 2013. <http://eoi-tax.org/jurisdictions/ID#agreements>.

³²⁷⁸ BKPM Teams Up With KITA To Lure More Korean Investors, Indonesia Investment Coordinating Board 16 March 2013. Date of Access: 4 July 2013.

http://www4.bkpm.go.id/contents/news_detail/126901/BKPM+Teams+Up+With+KITA+To+Lure+More+Korean+Investors.

Italy: 0

Italy has partially complied with the commitment on maintaining a supportive business environment for investors.

During the monitoring period no facts of Italy's actions to maintain supportive business environment for investors unilaterally have been found.

Italy has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

According to the Exchange of Tax Information Portal, during the compliance period Italy signed the Double taxation convention protocol (DTC Protocol) with Luxemburg on 21 June 2012, and the Double taxation convention with Hong Kong, China on 14 January 2013,. All documents are not yet in force.³²⁷⁹

During the compliance period Italy has taken actions to maintain supportive business environment through participation in international investment agreements, but no facts of Italy's unilateral actions have been found. Thus, it has been awarded a score of 0.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with the commitment on maintaining a supportive business environment for investors.

Japan has taken actions to maintain supportive business environment for investors unilaterally.

On 1 November 2012, the Act on Special Measures for Promotion of Research and Development et al. by Certified Multinational Enterprises (also referred to as the "Act for Promotion of Japan as an Asian Business Center") was enforced. The Act provides for measures to be taken for global enterprises certified by the competent minister, such as a reduction of corporation tax and patent fees.³²⁸⁰

On 6 February 2013, projects were selected for Subsidy Program for Projects Promoting Asian Site Location in Japan FY2012. The goal of this program is to attract foreign companies to Japan and thus improve Japan's status as an Asian business center.³²⁸¹

Japan has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

³²⁷⁹ Italy Agreements, Exchange of Tax Information Portal. Date of Access: 6 February 2013. <http://eoi-tax.org/jurisdictions/IT#agreements>

³²⁸⁰ The Act for Promotion of Japan as an Asian Business Center to be enforced in November, Ministry of Economy, Trade and Industry 30 October 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1030_06.html.

³²⁸¹ Announcement of Projects Selected under FY2012 "Subsidy Program for Projects Promoting Asian Site Location in Japan", Ministry of Economy, Trade and Industry 06 February 2013. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2013/0206_01.html

On 19-20 June 2012, on 21 August 2012 and on 27 September 2012, working-level meetings on the China-Japan-Korea free trade agreement (FTA) were held.^{3282,3283,3284} On 20 November 2012, the decision to launch the FTA negotiations among Japan, China and Korea was announced.³²⁸⁵

On 25 September 2012, Japan and Columbia entered into negotiations on the Economic Partnership Agreement (EPA).³²⁸⁶ The first round of negotiations was held on 17 December 2012.³²⁸⁷

On 8 October 2012, the Fourth Japan-Indonesia Joint Economic Forum was held in Tokyo. During the Forum Minister of Economy, Trade and Industry of Japan Yukio Edano and Coordinating Minister for Economic Affairs of Indonesia Hatta Rajasa reaffirmed the importance of improving investment environment between the two countries.³²⁸⁸

In October 2012 Liechtenstein's Prime Minister Klaus Tschüscher and Japan's Prime Minister Yoshihiko Noda discussed the plans for a double taxation agreement (DTA).³²⁸⁹

On 20 November 2012, negotiations for the Regional comprehensive Economic Partnership (RCEP) between the ASEAN countries, Japan, China, the Republic of Korea, Australia, New Zealand and India were launched. Among other topics the negotiations will cover investment issues.³²⁹⁰

³²⁸² The Working Level Meeting on the Preparation for the Launch of China-Japan-Korea FTA, Ministry of Economy, Trade and Industry 20 June 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/0620_01.html.

³²⁸³ The Working Level Meeting on the Preparation for the Launch of China-Japan-Korea FTA, Ministry of Economy, Trade and Industry 21 August 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/0821_02.html.

³²⁸⁴ The Working Level Meeting on the Preparation for the Launch of China-Japan-Korea FTA, Ministry of Economy, Trade and Industry 28 September 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/0928_04.html.

³²⁸⁵ Announcement of the Launch of the FTA Negotiations among Japan, China and Korea, Ministry of Economy, Trade and Industry 20 November 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1120_01.html.

³²⁸⁶ Entering into Negotiations on the Economic Partnership Agreement (EPA) between Japan and the Republic of Columbia, Ministry of Economy, Trade and Industry 26 September 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/0926_02.html.

³²⁸⁷ First Round of Negotiations for an Economic Partnership Agreement (EPA) between Japan and Colombia, Ministry of Economy, Trade and Industry 17 December 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1217_01.html.

³²⁸⁸ Joint Press Release Adopted at the Fourth Japan-Indonesia Joint Economic Forum, Ministry of Economy, Trade and Industry 10 October 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1010_02.html.

³²⁸⁹ Lomas U. Liechtenstein, Japan TIEA Now In Force, Tax News 16 January 2013. Date of Access: 12 February 2013. [http://www.tax-](http://www.tax-news.com/news/Liechtenstein_Japan_TIEA_Now_In_Force_59220.html)

[news.com/news/Liechtenstein_Japan_TIEA_Now_In_Force_59220.html](http://www.tax-news.com/news/Liechtenstein_Japan_TIEA_Now_In_Force_59220.html).

³²⁹⁰ Announcement of the Launch of Negotiations for the Regional Comprehensive Economic Partnership (RCEP), Ministry of Economy, Trade and Industry 20 November 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1120_02.html.

On 26-30 November 2012, the first round of the negotiations for a Japan-Canada EPA was held.³²⁹¹

On 10 December 2012, Japan signed a DTA with New Zealand renewing the 1963 treaty. In the new agreement withholding taxes on interest, dividend and royalty payments are lower.³²⁹²

On 11-14 December 2012, Japan and Mongolia held the Second Round of the Negotiations for the EPA and among other issues discussed the investment relations between the two countries.³²⁹³

On 26 December 2012, Japan's Foreign Minister Koichiro Genba and Myanmar Foreign Minister Wunna Maung Lwin agreed on starting negotiations on a bilateral investment agreement between the two countries.³²⁹⁴

During the compliance period Japan has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Evgeny Gushchin

Korea: +1

Korea has fully complied with the commitment on maintaining a supportive business environment for investors.

Korea has taken actions to maintain supportive business environment for investors unilaterally.

On 19 July 2012, the Korean Ministry of Land, Transport, and Maritime Affairs hosted an investment road show for the East-West-South coastal area development project. The road show was organized in partnership with five cities and provinces in the Korean coastal area. The event aimed to provide potential investors with information on 18 investment projects, their site, amount of investment needed and potential advantages.³²⁹⁵

On 16 August 2012, at the 131st emergency economy meeting the Korean Ministry of Knowledge Economy proposed measures to further accelerate the growth of foreign investment. These include customized strategies targeting each investing country's demands. In particular, measures were designed to attract investment in tourism from China, investment in components

³²⁹¹ First Round of the Negotiations for a Japan-Canada Economic Partnership Agreement (EPA), Ministry of Economy, Trade and Industry 30 November 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1130_01.html.

³²⁹² New Zealand – Japan Double Taxation Agreement, New Zealand Ministry of Foreign Affairs and Trade 11 December 2012. Date of Access: 12 February 2013. <http://www.nzembassy.com/japan/news/new-zealand-%E2%80%93-japan-double-taxation-agreement>.

³²⁹³ Summary of the Second Round of Negotiations for the Japan-Mongolia Economic Partnership Agreement (EPA), Ministry of Economy, Trade and Industry 14 December 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1214_01.html.

³²⁹⁴ Matsumura A. Japan eyes investment agreement with Myanmar, The Asahi Shimbun 26 December 2012. Date of Access: 12 February 2013.

http://ajw.asahi.com/article/behind_news/politics/AJ201112260063.

³²⁹⁵ [August 2012] Foreign Investment Policy Trends, Korea's National Investment Promotion Agency 31 August 2012. Date of Access: 29 March 2013. <http://blog.investkorea.org/wordpress/?m=201208>.

manufacturing from Japan, and investment in different sectors by global companies from the EU and the US.³²⁹⁶

In November and December 2012, officials from Foreign Investor Support Office of Korea's National Investment Promotion Agency made several consulting visits to Italy, Austria, Germany, the Netherlands and China. The aim of the visits was to provide consultations to companies considering making new investments in Korea. The Korean officials discussed labor and personnel issues with the representatives of European and Chinese business, and informed them on incentive systems, including tax reductions on investment, offered by the Korean government.³²⁹⁷

Korea has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 8 October 2012, Korea signed a double taxation convention with Ecuador, which has not entered into force yet. On 22 January 2013, a DTC between Korea and Uruguay entered into force.³²⁹⁸

On 21 April 2013, Korea signed a Free Trade Agreement (FTA) with Colombia, which, inter alia, provides for bilateral investment liberalization. The FTA has not entered into force yet.³²⁹⁹

During the compliance period Korea has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Mexico: +1

Mexico has fully complied with the commitment on maintaining a supportive business environment for investors.

Mexico has taken actions to maintain supportive business environment for investors unilaterally.

In October-November 2012, the Tax Administration Service issued administrative guidance³³⁰⁰ which deals with deductibility of interests accrued and covers 143 criteria on domestic tax matters

³²⁹⁶ [September 2012] Foreign Investment Policy Trends, Korea's National Investment Promotion Agency 31 August 2012. Date of Access: 29 March 2013.

<http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060103>.

³²⁹⁷ Monthly News: FISO Visits Chinese-Speaking Countries and Europe to Attract Investment, Korea's National Investment Promotion Agency 8 January 2013. Date of Access: 29 March 2013.

<http://blog.investkorea.org/wordpress/?p=2125>.

³²⁹⁸ Korea, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/KR#agreements>.

³²⁹⁹ Colombia-Korea Free Trade Agreement, Organization of American States Foreign Trade Information System 21 April 2013. Date of Access: 10 July 2013.

http://www.sice.oas.org/TPD/Col_kor/Draft_Text_06.2012_e/June_2012_Index_PDF_e.asp.

³³⁰⁰ Criterios normativos issued by the Tax Administration Service, interpreted by T Magazine by Ernst&Young 8 November 2012. Date of Access: 10 July 2013.

<http://tmagazine.ey.com/news/ibfd/mexico-administrative-guidance-issued-tax-authorities-2/>.

(federal tax code, income tax law, value added tax law, business flat-rate tax law and excise tax law).³³⁰¹

Mexico has taken steps to promote its investment opportunities to foreign investors through organizing investment forums and events. Mexico Investment Summit took place on 12-13 March 2013.³³⁰²

Mexico has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

During the compliance cycle, Mexico signed double taxation agreements with Estonia (not yet in force), Hong Kong (entered into force on 7 March 2013), Malta (not yet in force), and Qatar (entered into force on 9 March 2013). DTCs signed earlier with Ukraine and Lithuania entered into force on 6 December 2012 and 29 November 2012 respectively.³³⁰³

Mexico has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Russia: +1

Russia has fully complied with the commitment on maintaining a supportive business environment for investors.

Russia has taken actions to maintain supportive business environment for investors unilaterally.

On 31 January 2013, Russian President issued a list of instructions to the Russian Government and several federal and regional bodies on improving investment climate in the regions of Russia. The Russian State Corporation “Bank for Development and Foreign Economic Affairs” should develop and implement new financial programs and financial products in order to create and improve the objects of investment infrastructure, including industrial and technological parks.³³⁰⁴

During the monitoring period the Russian Government continued to implement the National Business Initiative, which “is expected to systematically improve the investment climate.” The initiative is implemented according to the roadmaps, “which deal with various spheres of government regulation” and “stipulate concrete results.”³³⁰⁵ The Government adopted the following roadmaps: improving customs administration,³³⁰⁶ support to foreign markets access and

³³⁰¹ Boletín 2012 issued by the Tax Administration Service, interpreted by T Magazine by Ernst&Young. 29 November 2012. Date of Access: 30 January 2013.: <http://tmagazine.ey.com/news/ibfd/mexico-2012-administrative-guidance-report-issued-tax-authorities/>.

³³⁰² Mexico Investment Summit. Date of Access: 10 July 2013. http://www.terrapinn.com/conference/mexico-investment-summit/?pk_campaign=Event&pk_kwd=Related5500

³³⁰³ Mexico, Exchange of tax information portal. Date of Access: 7 July 2013. <http://eoi-tax.org/jurisdictions/MX#agreements>.

³³⁰⁴ List of Instructions after the State Council Meeting, President of Russia 31 January 2013. <http://kremlin.ru/assignments/17512>.

³³⁰⁵ Dmitry Medvedev takes part in the round table discussion, National Business Initiative: Initial Results, Next Steps, Russian Government 15 February 2013. <http://www.government.ru/eng/docs/22826/>.

³³⁰⁶ <http://asi.ru/initiatives/npi/tamozhnya/>.

export support³³⁰⁷ on 29 June 2012, increasing availability of energy infrastructure³³⁰⁸ on 30 June 2012 and on improving investment climate in the construction industry on 16 August 2012.³³⁰⁹

Russia has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 2 October 2012, Russia ratified the Protocol to Amend the Agreement between the Russia and Switzerland on Avoiding Double Taxation with Respect to Taxes on Income and on Capital.³³¹⁰

On 16 October 2012, the Double Taxation Conventions (DTC) agreement between Russia and Argentina entered into force.³³¹¹

On 24 April 2013, the DTC agreement between Russia and Latvia was signed.³³¹²

During the compliance period Russia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on maintaining a supportive business environment for investors.

Saudi Arabia has taken actions to maintain supportive business environment for investors unilaterally.

In August 2012, conditional 10-year tax incentives were offered by the Kingdom of Saudi Arabia (KSA) in six less-developed regions of the country — Hai'l, Northern Borders, Jazan, Najran, Al Baha and Al Jouf — to attract foreign direct investments (FDI). Foreign companies can avail an employment incentive for 10 years, as a 50% deduction of the yearly expenses incurred on training of Saudi employees and as a 50% deduction of the yearly salaries paid to Saudi employees, if there is any balance of tax payable after applying the first provision. Foreign investors will be granted a tax credit for 10 years equal to 15% of the investment capital of industrial projects.³³¹³

On 17 January 2013, Saudi Arabian General Investment Authority (SAGIA) set up a special committee to develop and facilitate investment procedures and attract funds to vital sectors that could create more jobs. The authority is working on removing the obstacles facing quality investors. At the same time, it is trying to close all loopholes that could be exploited by foreigners

³³⁰⁷ <http://asi.ru/initiatives/npi/export/>.

³³⁰⁸ <http://asi.ru/initiatives/npi/energetica/>.

³³⁰⁹ <http://asi.ru/initiatives/npi/stroitelstvo/>.

³³¹⁰ Protocol amending Russian-Swiss double taxation agreement ratified 3 October 2012.

<http://eng.kremlin.ru/acts/4471>.

³³¹¹ DTC Agreement between Argentina and Russian Federation. http://eoi-tax.org/agreements/AR_RU_DTC_14.

³³¹² RU-MT_DTC, Exchange of Tax Information Portal. <http://eoi-tax.org/agreements/b14f8545f2bdd0d3fbf1134786f3ef18>.

³³¹³ Saudi Arabia Offers Tax Incentives to Increase Foreign Investment Inflow, NAIR&Co 10 August 2012. Date of Access: 11 February 2013. <http://www.nair-co.com/SaudiArabiaTax-09-08-12.aspx>.

to get investment licenses. On the same day Abdullatif Al-Othman, the governor of SAGIA, stressed the need for joint efforts by various government departments to improve investment climate and attract foreign funds.³³¹⁴

In May 2013, SAGIA board of directors discussed methods to improve the efficiency and effectiveness of SAGIA licenses and the Saudi Arabia's efforts in maintaining attractive investment climate. Investors were granted a number of privileges depending on their classification and contribution to the economy. To enhance the success and the contribution of investments in a number of industries Abdullatif Al-Othman, the chairman of the SAGIA board, was given authority to issue licenses to certain technology innovators ignoring the requirement to be established in their home country.³³¹⁵

Saudi Arabia is also finalizing regulations to allow foreign investors to directly own stocks of its companies. Now foreign investors have to buy shares in Saudi Arabia through swap deals. Opening the market will increase its transparency and decrease speculation as well as attract foreign investments.³³¹⁶

Saudi Arabia has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

In December 2012, the Council of Ministers of Saudi Arabia authorized Saudi Arabian General Investment Authority to hold talks with Uruguay, Albania, Bulgaria, Georgia, Macedonia, Malta, Norway, Portugal, Slovenia, Croatia, Tajikistan and Turkmenistan to sign the investment protection and promotion agreements.³³¹⁷

On 1 December 2012, double taxation treaties of Saudi Arabia with Ireland, Malta and Ukraine entered into force. They were signed on 19 October 2011, 4 January 2012 and 2 September 2011 correspondingly.³³¹⁸

In February 2013, during his two-day visit to Hyderabad, Saudi Arabia's ambassador to India Saud Mohammed Al-Sati was promoting commerce and investment with India. He invited Indian companies to invest in Saudi Arabia and explained the initiatives taken by his country to boost development. Also, according to him, Indian businesses could be interested in economic cities under SAGIA.³³¹⁹ This fact may be regarded as promotion of international agreements. The bilateral investment protection agreement between Saudi Arabia and India was signed in 2006 and it entered into force in 2008.³³²⁰

³³¹⁴ Quality Investment SAGIA's Focus, SAGIA 17 January 2013. Date of Access: 11 February 2013. <http://www.sagia.gov.sa/en/SAGIA/Media-centre/News/Quality-investment-SAGIAs-focus/>.

³³¹⁵ SAGIA to Offer Set of Privileges to Investors, SAGIA 23 May 2013. Date of Access: 5 July 2013. <http://www.sagia.gov.sa/en/SAGIA/Media-centre/News/privileges-to-investors/>.

³³¹⁶ CMA finalizing rules for foreign stock ownership, Arab News 8 May 2013. Date of Access: 6 July 2013. <http://www.arabnews.com/news/450817>.

³³¹⁷ Deals to help boost foreign investment, Arab News 25 December 2012. Date of Access: 11 February 2013. <http://www.arabnews.com/saudi-arabia/deals-help-boost-foreign-investment>.

³³¹⁸ Saudi Arabia, Exchange of Tax Information Portal. Date of Access: 6 July 2013. <http://eoi-tax.org/jurisdictions/SA#agreements>.

³³¹⁹ Saudi Arabia keen to invest in India, Yahoo News 10 February 2013. Date of Access: 11 February 2013. <http://en-maktoob.news.yahoo.com/saudi-arabia-keen-invest-india-081519066.html>.

³³²⁰ Bilateral Investment Promotion and Protection Agreements (BIPA), Ministry of Finance Government of India. Date of Access: 11 February. http://finmin.nic.in/bipa/bipa_index.asp?pageid=2.

On 28 February 2013, Saudi Arabia and Ethiopia signed the Double-Taxation Avoidance Agreement to facilitate the flows of private investments between the countries. Saudi Arabia also intends to sign an investment promotion and protection agreement with Ethiopia.³³²¹ This was followed by the Double Taxation Treaty with Luxembourg signed on 7 May 2013.³³²²

On 30 April 2013, Saudi Arabia and Japan signed the Investment Promotion and Protection Agreement. The agreement includes improving legal stability of the investment environment in Saudi Arabia to attract investments from Japan's companies, strengthening the Japan-Saudi Arabia relationship and protecting investments.³³²³

During the compliance period Saudi Arabia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

South Africa: +1

South Africa has fully complied with the commitment on maintaining a supportive business environment for investors.

South Africa has taken actions to maintain supportive business environment for investors unilaterally.

On 27 February 2013, the South African Reserve Bank changed its foreign exchange control policies. According to new regulations "each company listed at the Johannesburg Stock Exchange (JSE) may establish one subsidiary holding company for holding African and offshore operations without it being subject to foreign exchange restrictions".³³²⁴

South Africa has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

During the monitoring period South Africa signed at least three Double Taxation Conventions (DTC) agreements: with Chile on 11 July 2012, with Norway on 16 July 2012 (DTC Protocol), with Costa Rica on 27 October 2012 and a Tax Information Exchange Agreement with Gibraltar on 21 July 2013.³³²⁵

During the compliance period South Africa has taken actions to maintain supportive business environment for investors through participation in international investment agreements and unilaterally. Thus, it has been awarded a score of +1.

³³²¹ Ethiopia, Saudi Arabia agree to avoid double taxation, Capital Ethiopia 4 March 2013. Date of Access: 5 July 2013.

http://www.capitalethiopia.com/index.php?option=com_content&view=article&id=2572:ethiopia-saudi-arabia-agree-to-avoid-double-taxation&catid=35:capital&Itemid=27.

³³²² Double Taxation Treaty between Luxembourg and Saudi Arabia signed, Luxembourg for Finance 7 May 2013. Date of Access: 6 July 2013. <http://www.luxembourgforfinance.lu/double-taxation-treaty-between-luxembourg-and-saudi-arabia-signed>.

³³²³ Signing of the Japan-Saudi Arabia Investment Agreement, Ministry of Economy, Trade and Industry of Japan 1 May 2013. Date of Access: 5 July 2013. http://www.meti.go.jp/english/press/2013/0501_02.html.

³³²⁴ Ninth Report on G20 Investment Measures, WTO 17 June 2013.

http://www.wto.org/english/news_e/news13_e/g20_oecd_unctad_report_jun13_e.doc.

³³²⁵ South Africa, Exchange of Tax Information Portal. <http://eoi-tax.org/jurisdictions/ZA#agreements>.

Turkey: +1

Turkey has fully complied with the commitment on maintaining a supportive business environment for investors.

Turkey has taken actions to maintain supportive business environment for investors unilaterally.

On 3 May 2012, Turkey passed the Law No.6302, amending Land Registry Law. Amendments broadened the extent to which foreign individuals and companies can acquire real estate in Turkey.³³²⁶ On 18 August 2012, some provisions of this law related to acquisitions executed by Turkish companies with foreign capital entered into force. These provisions simplified the procedure of acquiring real estate by companies with foreign participation.³³²⁷ In August 2012, Turkish Government increased the number of countries whose citizens can buy property in Turkey in accordance with this law from 53 to 129.³³²⁸

Turkey has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 18 July 2012, the Bilateral Investment Treaty between Gabon and Turkey was signed.³³²⁹

On 1 August 2012, the Agreement between the Federal Republic of Germany and the Republic of Turkey for the Avoidance of Double Taxation and Tax Evasion with respect to Taxes on Income, which was signed on 22 September 2011, entered into force.³³³⁰

On 9 October 2012, the DTC agreement between Turkey and Brazil entered into force.³³³¹

On 7 February 2013, Turkey signed a Bilateral Investment Treaty with Mauritius and on 12 March 2013 — with Gambia.³³³²

During the compliance period Turkey has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

³³²⁶ Tapu Kanunu Ve Kadastro Kanununda Değişiklik Yapilmasina Ilişkin Kanun, Resmî Gazete 18 May 2012. Date of Access: 4 February 2013. <http://www.resmigazete.gov.tr/eskiler/2012/05/20120518-1.htm>.

³³²⁷ Recent developments to boost real estate acquisitions by foreigners in Turkey, Taboglu & Demirhan September 2012. Date of Access: 4 February 2013. <http://www.taboglu.av.tr/dailies/September%202012.pdf>.

³³²⁸ Details of the reciprocity law, Today's Zaman 7 August 2012. Date of Access: 9 February 2013. <http://www.todayszaman.com/columnist-288907-details-of-the-reciprocity-law.html>.

³³²⁹ Investment Policy Monitor, UNCTAD 26 November 2012. Date of Access: 4 February 2013. http://unctad.org/en/PublicationsLibrary/webdiaepcb2012d5_en.pdf.

³³³⁰ Turkey, Exchange of Tax Information Portal. Date of Access: 4 February 2013. <http://eoi-tax.org/jurisdictions/TR#agreements>.

³³³¹ Turkey, Exchange of Tax Information Portal. Date of Access: 4 July 2013. <http://eoi-tax.org/jurisdictions/TR#agreements>.

³³³² Ninth Report on G20 Investment Measures, UNCTAD 17 June 2013. Date of Access: 4 July 2013. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d9_en.pdf.

United Kingdom: +1

The UK has fully complied with the commitment on maintaining a supportive business environment for investors.

The UK has taken actions to maintain supportive business environment for investors unilaterally.

On 3 December 2012, the UK Trade & Investment organized an event at Chelsea Football Club in London to inform global companies of the benefits of investing in the UK. Opportunities for automotive supply chain companies to invest in the UK were highlighted.³³³³

On 17 December 2012, the Fifth Statement of New Regulation of the UK government reported that the government expects to reduce the regulatory burden by around a further USD126 million in January-June 2013. Expected measures include reforms of environmental regulation, employment law and consumer law.³³³⁴

On 17 December 2012, Secretary of State for Business, Innovation and Skills of the UK John Vincent Cable launched a range of measures that will improve services to business, including introduction of a superfast patent processing service a faster trade marks examination service and action to help consumers and young people understand the importance of respect for intellectual property.³³³⁵

On 17 January 2013, a new round of the UK Regional Growth Fund with USD531.7 million of public investments was started. The Regional Growth Fund supports projects and programmes attracting private sector investment to create economic growth and sustainable employment. For every pound of government money, the private sector is putting in six pounds.³³³⁶

On 14 February 2013, the Government of the UK published the Final Investment Decision Enabling for Renewables which will help developers of low carbon electricity projects make final investment decisions in 2014. In the framework of this program developers of renewable electricity projects will be able to apply to the Government for support, including signing the investment contracts with the Government, to enable them to commission and build projects more quickly.³³³⁷

³³³³ Boost for UK Automotive Supply Chains, Department for Business, Innovation and Skills of the UK 3 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/boost-for-uk-automotive-supply-chains>

³³³⁴ New Figures Show Government is Winning War on Red Tape, Department for Business, Innovation and Skills of the UK 17 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/new-figures-show-government-is-winning-war-on-red-tape>

³³³⁵ Cable Announces Step Change to Turn Ideas into Growth, Department for Business, Innovation and Skills of the UK 17 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/cable-announces-step-change-to-turn-ideas-into-growth>

³³³⁶ More Cash Available through the Regional Growth Fund, Department for Business, Innovation and Skills of the UK 17 January 2013. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/press-release-more-cash-available-through-the-regional-growth-fund>

³³³⁷ The Final Investment Decision Enabling Programme Helps Developers of Low Carbon Electricity Projects Make Final Investment Decisions, Department of Energy & Climate Change 14 February 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/increasing-certainty-for-investors-in-renewable-electricity>

On 28 March 2013, the UK government published the Oil and Gas Industrial Strategy which would improve investment confidence and security by setting out clear rules of exploiting the UK's resources.³³³⁸

On 12 June 2013, Business and Energy Minister Michael Fallon announced the creation of an Offshore Wind Investment Organisation (OWIO) to boost investment in the UK offshore wind industry.³³³⁹

The UK has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 26 July 2012, the UK started a series of Global Business Summits — the largest set of trade and investment events with the Government's Global Investment Conference — to demonstrate possibilities of investments into the UK and to showcase the UK during the Olympic and Paralympic Games.³³⁴⁰

On 28 September 2012, Lord Green, Minister of State for Trade and Investment of the UK, and Carlos Alberto Freitas Barreto, Secretary of Brazilian Tax Authority, signed a Tax Information Exchange Agreement (TIEA) between the UK and Brazil. The new agreement will enable countries to exchange information to OECD and international tax standards to ensure that the right amount of tax is paid in each country in the future.^{3341,3342}

On 3 October 2012, Deputy Prime Minister Nick Clegg together with Business Minister Michael Fallon and a business delegation of 18 CEOs and Senior Executives from companies discussed possibilities of partnership with Turkish counterparts potentially worth up to USD0.75 billion. One of the announced projects was USD10.6 million manufacturing facility in Cardiff by Turkish company HDM Steel Pipe.³³⁴³

On 5 October 2012, Business and Enterprise Minister of the UK Michael Fallon during a series of meetings with Members of the European Parliament, European Commission officials and businesses has said he will start building an alliance to put simpler and smarter regulation of

³³³⁸ Oil and Gas Strategy will Promote Billions Worth of New Investment, Department for Business, Innovation and Skills of the UK 28 March 2013. Date of Access: 5 July 2013.

³³³⁹ Boost for Inward Investment and Innovation in Offshore Wind, Department of Energy & Climate Change 12 June 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/boost-for-inward-investment-and-innovation-in-offshore-wind>

³³⁴⁰ Billions of pounds of UK Investment Announced at the Global Investment Conference, Department for Business, Innovation and Skills of the UK 26 July 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/billions-of-pounds-of-uk-investment-announced-at-the-global-investment-conference--2>

³³⁴¹ Agreements of the United Kingdom, Exchange of Tax Information Portal. Date of Access: 28 January 2013. <http://eoi-tax.org/jurisdictions/GB#agreements>

³³⁴² Brazil: Tax Information Exchange Agreement, HM Revenue & Customs of the UK October 2012. Date of Access: 28 January 2013. <http://www.hmrc.gov.uk/taxtreaties/news/brazil-tiea.htm>

³³⁴³ Deputy Prime Minister Visits Turkey to Secure Deals for British Business, Department for Business, Innovation and Skills of the UK 3 October 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/deputy-prime-minister-visits-turkey-to-secure-deals-for-british-business>

business firmly on the agenda. He called on the European Commission to commit to a new programme to reduce the burden of regulation for business from January 2013.³³⁴⁴

On 30 October 2012, the UK and India has signed a protocol for amending the earlier Double Taxation Avoidance Convention between the two countries for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and capital gains. The protocol streamlines the provisions relating to partnership and taxation of dividends in both countries and incorporates provisions for effective exchange of information between the tax authorities of India and the U.K. in line with the latest international standards.^{3345,3346}

On 5 November 2012, at the UK-UAE Business Council supported by the British UK Trade & Investment, discussed ways to further drive commercial ties between the two countries as the UAE is already a major investor in the UK, with over USD7.5billion invested in energy and infrastructure.³³⁴⁷

On 28 November 2012, at the event supported by the British UK Trade & Investment new commercial deals were signed between UK companies and Kuwait. Among other projects the Kuwait Investment Office announced a long term roadmap for investing in the UK, particularly into UK infrastructure projects.³³⁴⁸

On 14 March 2013, the UK signed Double Taxation Conventions with Norway and Spain.³³⁴⁹

During the compliance period the UK has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on maintaining a supportive business environment for investors.

The US has taken actions to maintain supportive business environment for investors unilaterally.

³³⁴⁴ ‘Europe Must Join Red Tape Blitz’: Fallon, Department for Business, Innovation and Skills of the UK 5 October 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/europe-must-join-red-tape-blitz-fallon>

³³⁴⁵ Agreements of the United Kingdom, Exchange of Tax Information Portal. Date of Access: 28 January 2013. <http://eoi-tax.org/jurisdictions/GB#agreements>

³³⁴⁶ India Inks Protocol with U.K. to Amend Tax Pact, The Hindu 1 November 2012. Date of Access: 28 January 2013. <http://www.thehindu.com/business/Economy/india-inks-protocol-with-uk-to-amend-tax-pact/article4055171.ece>

³³⁴⁷ Trade Boost Planned for UK and United Arab Emirates, Department for Business, Innovation and Skills of the UK 5 November 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/trade-boost-planned-for-uk-and-united-arab-emirates>

³³⁴⁸ UK Business Partnership with Kuwait Boosted by New Deals, Department for Business, Innovation and Skills of the UK 28 November 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/uk-business-partnership-with-kuwait-boosted-by-new-deals>

³³⁴⁹ Agreements of the United Kingdom, Exchange of Tax Information Portal. Date of Access: 5 July 2013. <http://eoi-tax.org/jurisdictions/GB#agreements>

By the end of September 2012, SelectUSA, a government-wide initiative to attract and retain business investment in the United States, which was established in June 2011, finished training the Foreign Commercial Service (FCS) officers. Those officers are stationed in the top 25 foreign markets where 90% of America's foreign direct investment (FDI) comes from. Traditionally FSF staff have been focused on helping US firms export to foreign markets. But now they are also helping foreign investors who need information on how to invest in the US and want to link up with local and state economic development leaders to get the deals done.³³⁵⁰

On 25 September 2012, the federal government of the US announced a USD40 million multi-agency competition "Make it in America Challenge," which aims to bring manufacturing back into the US. The incentive is to spur investment by companies, including the foreign ones. It comprises tax credits, investing in workforce skills training and modernizing critical infrastructure.³³⁵¹

In 2012, the US identified China, Brazil, India and South Africa as key potential markets and made efforts to attract foreign investment from these countries to the United States, partnering in new and different ways. For example, in BRICS countries governors and mayors were linked to talk business and economic opportunities. Also U.S. service providers (law firms, public relations firms, etc.) were linked with potential investors.³³⁵²

On 18 April 2013, the Federal Communications Commission considered an order to "streamline the foreign ownership policies and procedures that apply to common carrier radio licensees and certain aeronautical radio licensees, ... significantly reducing regulatory burdens while ensuring the commission continues to receive the necessary information to protect the public interest."³³⁵³

The US has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 20 September 2012, at Coalition of Service Industries 2012 Global Services Summit, the US Trade Representatives Ron Kirk said that the US was then working on bilateral investment treaties (BIT) with India, China, Mauritius and Pakistan. Earlier in 2012, the United States concluded a thorough review of its model bilateral investment treaty. Transparency and public participation were increased, disciplines that address preferential treatment to state-owned enterprises — sharpened.³³⁵⁴³³⁵⁵

³³⁵⁰ Remarks at Council on Foreign Relations Dialogue on Increasing U.S. Investment, United States Department of Commerce 28 September 2012. Date of Access: 9 February 2013. <http://www.commerce.gov/news/acting-secretary-speeches/2012/09/28/remarks-council-foreign-relations-dialogue-increasing-us-i>.

³³⁵¹ Obama administration announces \$40 million initiative to challenge businesses to 'make it in America', United States Department of Labor 25 September 2012. Date of Access: 9 February 2013. <https://www.dol.gov/opa/media/press/eta/ETA20121960.htm>.

³³⁵² Economic Statecraft: Developing Partnerships with the Private Sector, US Department of State 10 December 2012. Date of Access: 7 February 2013. <http://www.state.gov/e/eb/rls/rm/2012/201920.htm>.

³³⁵³ Open Commission Meeting, Federal Communications Commission 18 April 2013. Date of Access: 7 July 2013. <http://www.fcc.gov/events/open-commission-meeting-april-2013>.

³³⁵⁴ US working on bilateral investment treaty with India, China, Indiamart 20 September 2013. Date of Access: 8 February 2013. <http://news.indiamart.com/story/us-working-bilateral-investment-treaty-india-china-168009.html>.

³³⁵⁵ Pak-US Bilateral Investment Treaty, Daily Times 30 August 2012. Date of Access: 7 February 2013. http://www.dailytimes.com.pk/default.asp?page=2012%5C08%5C30%5Cstory_30-8-2012_pg5_9.

On 31 October 2012, the US and Chinese Taipei signed a statement of intent which would facilitate bilateral trade and investment among small and medium-sized companies in the US and Chinese Taipei.³³⁵⁶

On 5 December 2012, at the Ambassador's Investment Forum in China, the US Under Secretary for Economic Growth, Energy, and the Environment Robert Hormats welcomed Chinese investment into the US and said that the both countries need to work together in the coming years to codify their investment relationship through a Bilateral Investment Treaty.³³⁵⁷

On 14 January 2013, the US signed the double taxation convention protocol with Spain, on 24 January 2013 — with Japan, on 13 February 2013 — the double taxation convention with Poland. On 19 March 2013, the US-Brazil double taxation convention entered into force.³³⁵⁸

The United States plans to sign a Trade and Investment Framework Agreement (TIFA) with the 15-nation Economic Community of West African States (ECOWAS), to facilitate U.S.-Africa trade and investment.³³⁵⁹ In June 2013, US President Barack Obama directed US Trade Representative Mike Froman to finalize this new agreement with ECOWAS.³³⁶⁰

On 17 June 2013, at the G8 summit in Lough Erne (UK), the US and the EU launched the bilateral negotiations for the Transatlantic Trade and Investment Partnership. The main spheres which will be covered by the agreement are: market access, regulatory issues including non-tariff barriers, and the agreement's rules.³³⁶¹³³⁶² This partnership will be the world's biggest ever bilateral trade and investment deal.³³⁶³

During the compliance period the US has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

³³⁵⁶ Taiwan, US ink pact to boost trade and business exchanges, Taipei Times 1 November 2012. Date of Access: 9 February 2013. <http://www.taipetimes.com/News/biz/archives/2012/11/01/2003546573>.

³³⁵⁷ Under Secretary Hormats at Ambassador's Investment Forum in China, IIP Digital 5 December 2012. Date of Access: 7 February 2013.

<http://iipdigital.usembassy.gov/st/english/texttrans/2012/12/20121212139897.html#axzz2KcuA0r8c>.

³³⁵⁸ United States, Exchange of Tax Information Portal. Date of Access: 7 July 2013. <http://eoi-tax.org/jurisdictions/US#agreements>.

³³⁵⁹ The United States Explores New Opportunity to Boost Trade and Investment with West Africa, Office of the United States Trade Representative 29 March 2013. Date of Access: 6 July 2013.

<http://www.ustr.gov/about-us/press-office/press-releases/2013/march/US-explores-opportunity-west-Africa>.

³³⁶⁰ Remarks by President Obama and President Sall of the Republic of Senegal at Joint Press Conference, The White House 27 June 2013. Date of Access: 7 July 2013. <http://www.whitehouse.gov/the-press-office/2013/06/27/remarks-president-obama-and-president-sall-republic-senegal-joint-press->

³³⁶¹ Transatlantic Trade and Investment Partnership, Office of the United States Trade Representative 17 May 2013. Date of Access: 6 July 2013. <http://www.ustr.gov/ttip>.

³³⁶² EU and US start negotiations on trade and investment agreement, European Council 17 June 2013. Date of Access: 6 July 2013. <http://www.european-council.europa.eu/home-page/highlights/eu-and-us-start-negotiations-on-trade-and-investment-agreement>.

³³⁶³ The EU-US Transatlantic Trade and Investment Partnership, European Commission. Date of Access: 6 July 2013. http://ec.europa.eu/ireland/key-eu-policy-areas/transatlantic-trade-investment-partnership/index_en.htm.

European Union: +1

The EU has fully complied with the commitment on maintaining a supportive business environment for investors.

EU has taken actions to maintain supportive business environment for investors unilaterally.

In December 2012, the European Parliament and European Council adopted new legislation on bilateral investment agreements. The new regulation will provide the legal certainty for European and foreign investors and establish a mechanism for empowering Member States — under certain conditions — to negotiate bilateral investment agreements with countries not immediately scheduled for the EU-wide investment negotiations.³³⁶⁴

On 6 December 2012, the European Council adopted new rules easing resolving cross-border legal disputes between businesses. New rules determine which national court has jurisdiction in cross-border cases and how court judgments issued in one EU country are recognised and enforced in another.³³⁶⁵

On 1 January 2013, new EU VAT rules entered into effect to simplify business activity in EU. These measures have potential to save businesses up to EUR18 billion (USD23.4 billion) a year in reduced administration costs.³³⁶⁶

On 1 January 2013, new EU rules improving Member States' ability to assess and collect the taxes entered into force. The new rules improve cooperation and information exchange between tax authorities in the EU. It will make the regulation of foreign investors easier, making transmission of data between national authorities quicker and more efficient.³³⁶⁷

On 1 February 2013, Maroš Šefčovič, Vice-President of the European Commission, announced that the Commission will take action on the most burdensome EU regulatory measures on the basis of SMEs survey to guarantee stable regulatory framework for business and investments.³³⁶⁸

EU has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 4 November 2012, the President of the European Commission, Mr. José Manuel Barroso, met with Her Excellency Ms. Yingluck Shinawatra, Prime Minister of Thailand. The leaders held discussions on the strengthening of political, commercial and investment relations between

³³⁶⁴ EU Takes Key Step to Provide Legal Certainty for Investors outside Europe, European Commission 12 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1362_en.htm

³³⁶⁵ Ministers Adopt Commission's Reform to Cut Red Tape in Cross-border Court Cases, European Commission 6 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1321_en.htm

³³⁶⁶ New VAT Rules to Make Life Easier for Businesses from 1st January 2013, European Commission 17 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1377_en.htm

³³⁶⁷ Fighting Tax Evasion: Stronger EU Rules Enter into Force on 1st January, European Commission 17 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1376_en.htm

³³⁶⁸ Speech: "Regulatory Burden: Why Europe Needs to Get Smarter to Do Better" by Maroš Šefčovič, Vice-President of the European Commission, European Commission 1 February 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-13-91_en.htm

Thailand and the EU. Prospects of an EU-Thailand Bilateral Partnership Cooperation Agreement and Free Trade Agreement were the central topics of the discussions.³³⁶⁹

On 28 November 2012, Vice President Antonio Tajani accompanied by a business delegation visited Tunisia to reinforce partnership between countries and to increase potential for business relations between Tunisia and the EU.³³⁷⁰

On 23 January 2013, Vice President of the European Commission Antonio Tajani accompanied by a business delegation visited Peru to sign Letters of Intent in the fields of SME development, industrial cooperation, raw materials, sustainable construction and tourism.³³⁷¹

On 30 January 2013, High Representative of the European Commission Catherine Ashton met with Indian Minister for External Affairs, Salman Khurshid to discuss future trade and investment relations among other issues. The commitment to conclude the Free Trade Agreement as rapidly as possible was made at the meeting.³³⁷²

On 16 December 2012, EU Trade Commissioner Karel De Gucht and Singapore's Minister of Trade and Industry Lim Hng Kiang completed final negotiations on a free trade agreement between the European Union and Singapore. The agreement will create new opportunities for companies both from EU and Singapore. Moreover, the EU announced that talks between the two sides on investment will continue.³³⁷³

In December 2012, the European Parliament adopted an important political and economic deal with a number of Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) and a trade deal with Peru and Colombia. Both deals have to promote trade and investment between the regions.³³⁷⁴

During the compliance period EU has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

³³⁶⁹ Joint Press Statement on the Occasion of the Visit to the Kingdom of Thailand by the President of the European Commission, Mr. José Manuel Barroso, European Commission 4 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_MEMO-12-829_en.htm

³³⁷⁰ Mission for Growth: Creating Economic Ties to Benefit Tunisia and the EU, European Commission 28 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_MEMO-12-920_en.htm

³³⁷¹ Mission for Growth: Enhancing Business Cooperation between Peru and the EU, European Commission 22 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_MEMO-13-21_en.htm

³³⁷² Remarks by High Representative Catherine Ashton at her Press Conference with Indian Minister for External Affairs, Salman Khurshid, European Commission 30 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-13-85_en.htm

³³⁷³ EU and Singapore Agree on Landmark Trade Deal, European Commission 16 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1380_en.htm

³³⁷⁴ European Commission Welcomes European Parliament's Support for Closer Ties with Central America and New Trade Deals with Peru and Colombia, European Commission 11 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1353_en.htm

15. Development: Infrastructure Investment

Commitment [#6]

“Recognizing the impact of the continuing crisis on developing countries, particularly low income countries, we will intensify our efforts to create a more conducive environment for development, including supporting infrastructure investment.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia		0	
Saudi Arabia			+1
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.85	

Background

At the G20 summit in Washington in 2008, the G20 leaders first emphasized the importance of infrastructure investment as a source of sustainable growth in developing countries.³³⁷⁵ The commitment to invest in infrastructure development was reiterated at the G20 summit in London in April 2009.³³⁷⁶ At the Pittsburgh Summit in 2009 leaders for the first time highlighted the importance of “private-sector led growth and infrastructure to enhance opportunities for the poorest, social and economic inclusion, and economic growth.”³³⁷⁷ The commitment to undertake

³³⁷⁵ Declaration of the Summit on Financial Markets and the World Economy, G20 Information Centre 15 November 2008. Date of Access: 26 December 2012. URL: <http://www.g20.utoronto.ca/2008/2008declaration1115.html>.

³³⁷⁶ Global Plan for Recovery and Reform, G20 Information Centre 2 April 2009. Date of Access: 26 December 2012. <http://www.g20.utoronto.ca/2009/2009communique0402.html#growth>.

³³⁷⁷ G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre 25 September 2009. Date of Access: 26 December 2012. URL: <http://www.g20.utoronto.ca/2009/2009communique0925.html>.

“investment in infrastructure to address bottlenecks and enhance growth potential”³³⁷⁸ made at the Seoul Summit was a continuation of this series of commitments to stimulate growth by making investment in infrastructure. At the G20 Cannes Summit the leaders focused on the issue of infrastructure investment resources and committed not only to invest in infrastructure, but also to create a conducive environment for attracting investment from other sources.

Commitment Features

Infrastructure commitments made by the G20 leaders generally address two issues. First, they call for the G20 member states to provide resources for public investment in infrastructure, particularly in developing countries. Second, they call for an improved investment environment to attract investment in infrastructure from other sources. Additional sources of investment include the private sector, foreign G20 and non-G20 governments and international organizations. According to the Organization for Economic Cooperation and Development (OECD) most countries tend to rely on direct public investment, though a variety of other approaches have been taken, including the use of public-private partnerships and various types of regulatory incentives.³³⁷⁹

This particular commitment focuses on supporting infrastructure investment in developing countries. In order to fully comply with this commitment G20 members need to invest in infrastructure in developing countries’ and support infrastructure investment from other sources (private sector, developing countries’ own and foreign governments, public-private partnerships and international organizations). According to the Multi-Year Action Plan on Development³³⁸⁰ adopted at the Seoul Summit, infrastructure investment in developing countries can be promoted through the following measures:

- removing the bottlenecks to development, whole life costing and planning for investments in new infrastructure, operations and maintenance of existing infrastructure and rehabilitation of aging infrastructure;
- improving internal resource mobilization and increasing fiscal space;
- increasing energy access, including by supporting more sustainable paths that make maximum use of cost effective renewable energy and resources, support energy conservation, and increase efficiency.

Measures to promote investments can be undertaken in the following domains:

- Transportation infrastructure. Such projects include high-speed rail links, airports, ports, waterways and efforts to improve road infrastructures or the quality of the public transport service.
- Telecom infrastructure, including improving access to broadband and other types of information and communications technology (ICT), infrastructure that have important synergies for R&D and innovation.

³³⁷⁸ The Seoul Summit Document, G20 Information Centre 12 November 2010. Date of Access: 26 December 2012. URL: <http://www.g20.utoronto.ca/2010/g20seoul-doc.html>.

³³⁷⁹ OECD. Economic Policy Reforms 2010. Going for Growth, OECD 2010. Date of Access: 26 December 2012. <http://dx.doi.org/10.1787/growth-2010-en>.

³³⁸⁰ Multi-Year Action Plan on Development, G20 Information Centre 12 November 2010. Date of Access: 21 November 2012. <http://www.g20.utoronto.ca/2010/g20seoul-development.html>.

- Public utilities, including energy and water.
- “Green” infrastructure and technologies.³³⁸¹

To achieve full compliance the G20 member must invest in infrastructure in a developing country, and facilitate and support infrastructure investment in a developing country from other sources. It should be noted that this commitment emphasizes the importance of helping low-income countries (LICs) to develop their infrastructure. However, “particularly” cannot be considered as exclusive, thus, actions in all developing countries, including those developing country members of the G20, can be considered as compliance.

Scoring Guidelines

-1	Member does not make infrastructure investment in developing countries AND does not facilitate the mobilization of infrastructure financing in developing countries from other sources.
0	Member makes infrastructure investment in developing countries OR facilitates the mobilization of infrastructure financing in developing countries from other sources.
+1	Member makes infrastructure investment in developing countries AND facilitates the mobilization of infrastructure financing in developing countries from other sources.

Lead Analyst: Andrey Shelepov

Argentina: 0

Argentina has partially complied with the commitment on infrastructure investment in developing countries.

No facts of Argentina making infrastructure investment in developing countries have been registered during the compliance period.

However, Argentina has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 12-15 June 2012, a group of experts from the Argentinean National Technology University (UTN) visited San Salvador to work on a project “Expansion of Port Services at Puerto CORSAIN” in San Salvador city.³³⁸² According to the Argentinean Ministry of Foreign Affairs, “The objective of this project is to transfer knowledge to build Engineering Shipyards, financial sustainability, fuel storage tanks for boats and redesign of Water Treatment Plant and its connections.”³³⁸³ In addition, the project provides for the construction of shipyards, water cleaning plants, marine dredging etc.³³⁸⁴

³³⁸¹ OECD. Economic Policy Reforms 2010. Going for Growth, OECD 2010. Date of Access: 26 December 2012. <http://dx.doi.org/10.1787/growth-2010-en>.

³³⁸² El Salvador: Expansion of Port Services, Fondo Argentino de Cooperacion Sur-Sur y Triangular 12 June 2012. Date of Access: 26 January 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=135>.

³³⁸³ El Salvador: Expansion of Port Services, Fondo Argentino de Cooperacion Sur-Sur y Triangular 12 June 2012. Date of Access: 26 January 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=135>.

³³⁸⁴ El Salvador: Expansion of Port Services, Fondo Argentino de Cooperacion Sur-Sur y Triangular 12 June 2012. Date of Access: 26 January 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=135>.

On 11 June 2013, VI Ministerial meeting of Forum of East Asia-Latin America Cooperation (FEALAC)³³⁸⁵ which was held in Bali, Indonesia concluded with the Declaration. Argentina proposed to include in the Declaration a commitment to create an Investment Opportunities Database.³³⁸⁶ This Database within the “Business Information” section of the FEALAC web portal (<http://www.fealac.org/>) should include investments projects in 36 countries — members of FEALAC.³³⁸⁷ The Database permits to identify investment projects using a search (by country, business sector, subsector, range of investment amounts required). Argentina shared its experience with implementation of the Database of Productive Investment Projects (BaPIP) as well (<http://bapip.inversiones.gov.ar/>). As Argentina’s proposal for FEALAC is based on the BaPIP, the FEALAC Investment Opportunities Database would include infrastructure sector with the following subsectors: airports, roads, energy, railways, ports.³³⁸⁸

On 18 June 2013, Argentina participated as official guest in the Forum on Investments and Trade “TIC 2013” in Trinidad and Tobago. More than 500 SMEs representatives, 300 export companies and 5000 purchasers from 36 countries took part in the event, 149 negotiation meetings were held. The Forum participants discussed the perspectives of trade and investments development in food, transport, energy in Latin America region.³³⁸⁹

During the compliance period Argentina has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources, but failed to make infrastructure investment in developing countries. Thus, it has been awarded a score of 0.

Analyst: Elizaveta Safonkina

Australia: +1

Australia has fully complied with its commitment to support infrastructure investment in developing countries.

Australia has made infrastructure investment in developing countries.

Infrastructure development is one of the key development objectives of Australian aid program. Australia expects to provide USD407.1 million in official development assistance for infrastructure in 2012-2013.³³⁹⁰

Australia participates in Eastern Indonesia National Road Improvement Project (EINRIP). The project is designed to support major national road and bridge improvements, thus promoting

³³⁸⁵ FEALAC includes such developing countries as Brunei, Mongolia, Bolivia, Surinam etc. FEALAC Member Countries. Date of Access: 2 July 2013. <http://www.fealac.org/2011/about/Latin.asp>.

³³⁸⁶ FEALAC Investment Opportunities Database, FEALAC. Date of Access: 2 July 2013.

http://www.fealac.org/2011/include/File_download.asp?Type=News&AttachFileIdx=288.

³³⁸⁷ Concluyó la VI Reunión Ministerial del Foro de América Latina y Asia del Este (FOCALAE), Ministry of Foreign Affairs and Worship of Argentina 14 June 2013. Date of Access: 2 July 2013.

<http://www.mrecic.gov.ar/concluyo-la-vi-reunion-ministerial-del-foro-de-america-latina-y-asia-del-este-focalae>.

³³⁸⁸ Projects, BaPIP Official Site. Date of Access: 11 July 2013. <http://bapip.inversiones.gov.ar/>

³³⁸⁹ Destacada presencia argentina en el Foro de Inversiones y Comercio de Trinidad y Tobago, Ministry of Foreign Affairs of Argentina 18 June 2013. Date of Access: 30 June 2013.

<http://www.mrecic.gov.ar/destacada-presencia-argentina-en-el-foro-de-inversiones-y-comercio-de-trinidad-y-tobago>.

³³⁹⁰ Infrastructure, AusAID 7 February 2013. Date of Access: 30 March 2013.

<http://www.ausaid.gov.au/aidissues/infrastructure/Pages/home.aspx>.

economic and social development in Eastern Indonesia. EINRIP will result in creation of around 395 km of roads and approximately 1300 meters of bridge structures. Australia is providing USD300 million as a concessional loan for construction works and supervision, and an additional USD31 million grant for road engineering designs, technical and financial work, and monitoring of project's implementation. The project is slated for completion in 2013.³³⁹¹

Since 2010 Australia is involved in the Cambodia Railway Rehabilitation Project, which aims to repair and rehabilitate Cambodia's railways. In 2012, the Australian Agency for International Development (AusAID) restructured its financial involvement in this project to improve its effectiveness by working with the Asian Development Bank and the Cambodian Government to address in a targeted manner some of the construction bottlenecks that are causing the delays.³³⁹² Australia also pledged to provide further USD1 million to assist the people living close to the railway lines who have been affected by the project.³³⁹³

In August 2012, Australian Foreign Minister Bob Carr announced Australia will provide USD4 million to rebuild six wharves in rural Solomon Islands to ensure safe and reliable access to sea transport.³³⁹⁴

Australia takes part in initiatives to mobilize infrastructure investment in developing countries from other sources.

On 13 February 2013, Australian Foreign Minister Bob Carr announced Urban Development Project worth USD39 million, which would be co-funded by Australia, the Government of Vanuatu and the Asian Development Bank. The project is aimed at improving the roads, drainage and sewage facilities in Vanuatu.³³⁹⁵

On 17 April 2013, piped water supply schemes were launched in Malawi as a part of the Government of Malawi's USD300 million National Water Development Programme, supported by AusAID in collaboration with the African Development Bank. AusAID is to provide USD14 million, along with other donors.³³⁹⁶

On 14 May 2013, the Australian Government announced Australia's International Development Assistance Program for 2013–14, including the improvement of transport, energy and communications as one of its strategic priorities. The Program will finance various infrastructure investment projects including road upgrade and maintenance in Papua New Guinea, Solomon Islands, Indonesia, Vietnam, Sri Lanka and many other countries across the Pacific, Asia and Africa; rehabilitation and improvement of power infrastructure in Cambodia and Zimbabwe; improvement of water sanitation and supply facilities in developing countries with restricted access to safe water, and other. The Program will also support infrastructure investment from

³³⁹¹ Eastern Indonesia National Road Improvement Project (EINRIP), AusAID 14 August 2012. Date of Access: 30 March 2013. <http://www.usaid.gov.au/countries/eastasia/indonesia/pages/initiative-einrip.aspx>.

³³⁹² Australia changes its approach to the Cambodia Railway Rehabilitation Project, AusAID 3 October 2012. Date of Access: 30 March 2013. <http://www.usaid.gov.au/HotTopics/Pages/Display.aspx?QID=826>.

³³⁹³ Australia changes its approach to the Cambodia Railway Rehabilitation Project, AusAID 3 October 2012. Date of Access: 30 March 2013. <http://www.usaid.gov.au/HotTopics/Pages/Display.aspx?QID=826>.

³³⁹⁴ Investing in transport infrastructure in Solomon Islands, AusAID 20 August 2012. Date of Access: 30 March 2013. <http://www.usaid.gov.au/HotTopics/Pages/Display.aspx?QID=775>.

³³⁹⁵ Australia helps revitalise ageing infrastructure in Vanuatu's tourist capital, AusAID 14 February 2013. Date of Access: 30 March 2013. <http://www.usaid.gov.au/HotTopics/Pages/Display.aspx?QID=1037>.

³³⁹⁶ AusAID supports water and sanitation project in Malawi, AusAID 17 April 2013. Date of access: 13 July 2013. <http://www.usaid.gov.au/HotTopics/Pages/Display.aspx?QID=1095>

other sources through partnerships with international organizations (International Finance Corporation, Asian Development Bank, African Development Fund) and particular countries (e.g. with Vietnam, the Asian Development Bank and the Republic of Korea to build major transport infrastructure in the Mekong Delta).³³⁹⁷

During the monitoring period Australia has made infrastructure investment in developing countries and has taken steps to mobilize infrastructure investment in developing countries from other sources. Thus, it is awarded a score of +1.

Analysts: Andrei Sakharov & Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment on infrastructure investment.

Brazil has made infrastructure investment in developing countries.

Brazilian Development Bank (BNDES) is the main financing agent for development in Brazil.³³⁹⁸ The Bank finances development projects in Brazil and encourages domestic and foreign investment. According to BNDES, total funds disbursed in January-September 2012 increased by 3% as compared to the same period in 2011 reaching BRL94.6 billion (about USD47 billion).³³⁹⁹ A number of investment projects were approved during the compliance cycle, including BRL2.9 billion (approximately USD 1.4 billion) bridge loans for Brasília International Airport, Guarulhos airport and Viracopos Airport in Campinas in preparations for the upcoming World Cup in 2014 and Olympic Games in 2016³⁴⁰⁰.

Brazil has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 15 August 2012, the Federal Government launched «Logistics Investment Program: Roads and Railways» to provide Brazil with a transportation system that is compatible with its size. The Programme applies an investment model that favors public-private partnerships. The Logistics Investment Program provides for BRL133 billion (about USD66 billion) investment and 21

³³⁹⁷ Australia's International Development Assistance Program 2013–14 – Country and regional programs, AusAID 14 May 2013. Date of access: 14 July 2013.
<http://www.aid.gov.au/Publications/web/australias-international-development-assistance-program-2013-14/Pages/country-and-regional-programs.aspx>

³³⁹⁸ The BNDES, the official website of The Brazilian Development Bank (BNDES). Date of Access: 1 February 2013. http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/The_BNDES/.

³³⁹⁹ BNDES disburses R\$ 94.6 billion in the first nine months of the year, the official website of The Brazilian Development Bank (BNDES) 23 November 2012. Date of Access: 9 February 2013.
http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Press/Noticias/2012/20121023_desemp_enho.html.

³⁴⁰⁰ BNDES approves R\$ 488 million bridge loan for Brasília International Airport, the official website of The Brazilian Development Bank (BNDES) 21 December 2012. Date of Access: 10 February 2013.
http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Press/Noticias/2012/20121221_brasilia.html

announced concessions in the first five years. The scope of the programme will be further expanded to include ports, airports and waterways.³⁴⁰¹

On 20 August 2012, the State Government of Brazil announced BRL3 billion (about USD1.5 billion) of investments to be made by 2016 to increase the capacity of the Port of Rio de Janeiro. The expansion of the port should increase the flow of goods by more than 50% starting in 2013 as well as enlarging passenger terminal for the upcoming FIFA World Cup in 2014 and the Olympic Games in 2016. The funds will come from the private sector and all three levels of the government: federal, state and municipal.³⁴⁰² The Federal Government is also working on developing measures to stimulate modernization and competitiveness of Brazilian ports to improve logistics in the country.³⁴⁰³

In February 2012, Finance Minister of Brazil Guido Mantega announced new rules for future highway concessions which make investment in infrastructure more attractive to investors. Concession period is to increase from 25 to 30 years, with the grace period up from 3 to 5 years and the total financing term increasing from 20 to 25 years. Besides, bridge loan rates are to be reduced to further encourage investment in infrastructure. According to Ministry of Finance, outlook for investment is estimated at BRL1 trillion (USD490 billion).³⁴⁰⁴

During the compliance period Brazil has taken measures both to invest in infrastructure development and facilitate the mobilization of infrastructure financing from other sources. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with its commitment to support infrastructure investment in developing countries.

Canada makes infrastructure investment in developing countries.

Canada takes part in the Inter-American Development Bank's new Regional Infrastructure Integration Fund (RIIF), which is a multi-donor trust fund with an objective to provide technical assistance to support the preparation of infrastructure projects in Latin America and the Caribbean. The project is to be operational until 2017. The fund is aimed, inter alia, at promoting

³⁴⁰¹ Logistics Investment Program: Highways and Railways, the official website of the Government of Brazil 15 August 2012. Date of Access: 12 February 2013. <http://www.brasil.gov.br/para/press/reference-texts/logistics-investment-program-highways-and-railways>.

³⁴⁰² The Port of Rio de Janeiro will receive R\$ 3 billion in investment by 2016, the official website of the Government of Brazil 21 August 2012. Date of Access: 12 February 2013. <http://www.brasil.gov.br/news/history/2012/08/21/the-port-of-rio-de-janeiro-will-receive-r-3-billion-in-investment-by-2016>.

³⁴⁰³ Government will announce legislation and investments in ports to stimulate modernization and competitiveness, the official website of the Government of Brazil 4 December 2012. Date of Access: 10 February 2013. http://www.brasil.gov.br/news/history/2012/12/04/government-will-announce-legislation-and-investments-in-ports-to-stimulate-modernization-and-competitiveness/newsitem_view?set_language=en.

³⁴⁰⁴ Federal government invests in infrastructure improvement, the official website of the Government of Brazil 8 February 2013. Date of Access: 15 February 2013. http://www.brasil.gov.br/news/history/2013/02/08/federal-government-invests-in-infrastructure-improvement/newsitem_view?set_language=en.

investments that reduce the logistics costs of regional trade by investing in infrastructure corridors, ports and maritime services, and improving market structures for air cargo services. Canada's contribution to the Fund is approximately USD10 million.³⁴⁰⁵

Canadian International Development Agency (CIDA) contributed approximately USD19 million to the African Water Facility project, executed by African Development Bank Group. The primary goal of the project is to provide support for the preparation of water infrastructure projects in Africa. The project also focuses on strengthening trans-boundary water resource governance and management, evidence-based decision-making capabilities through water data management systems, and providing small-scale strategic water infrastructure investments in fragile and post-conflict states. In the longer term, this investment is designed to contribute to sustainable economic growth in Africa by helping to establish water infrastructure for increased hydropower generation, industrial usage, and irrigation. The project is to be operational until 2016.³⁴⁰⁶

On 10 April 2013, The Multilateral Investment Guarantee Agency (MIGA), the political risk insurance arm of the World Bank Group, announced the launch of the Conflict-Affected and Fragile Economies Facility. The project is funded by the Canadian government.³⁴⁰⁷ The aim of the initiative is to help support economic growth, reduce poverty, and improve people's lives in vulnerable and conflict-affected countries by facilitating foreign investment. This is to be achieved by helping private sector to access insurance to better manage risks associated with doing business in fragile and conflict-affected countries, creating jobs, stimulating new business activities, and improving access to infrastructure services, such as power, clean water and transportation.³⁴⁰⁸

Canada takes part in initiatives to mobilize infrastructure investment in developing countries from other sources.

On 10 November 2012, during the visit to the Philippines, Canadian Prime Minister Stephen Harper announced Canada's support for an initiative that will promote economic growth and employment in this country. According to the Prime Minister, the initiative would help facilitate private investment in the Philippines' infrastructure and promote economic opportunities for young people in the country — especially in the tourism sector. The initiative will be managed by the Asian Development Bank and will, among other things, promote public-private partnerships in infrastructure development.³⁴⁰⁹

³⁴⁰⁵ Support to the Regional Infrastructure Integration Fund 2012, Canadian International Development Agency 27 June 2012. Date of Access: 4 February 2013. <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/projEn/M013611001>.

³⁴⁰⁶ African Water Facility - Phase II, Canadian International Development Agency 31 May 2012. Date of Access: 4 February 2013. <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/projEn/A034853001>.

³⁴⁰⁷ MIGA Approves new Facility for Conflict-Affected and Fragile Economies, the World Bank 10 April 2013. Date of Access: 25 June 2013. <http://www.worldbank.org/en/news/press-release/2013/04/10/miga-approves-new-facility-for-conflict-affected-and-fragile-economies>.

³⁴⁰⁸ Project profile for Conflict-Affected and Fragile Economies Facility, Canadian International Development Agency 10 June 2013. Date of Access: 25 June 2013 <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/projEn/M013808001>.

³⁴⁰⁹ PM announces new initiative to promote economic growth in the Philippines, Prime Minister of Canada 10 November 2012. Date of Access: 4 February 2013. <http://pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=5158>.

Canada participates in Infrastructure Consortium for Africa (ICA), which aims to support economic growth and development in Africa through meeting the continent's most urgent infrastructure needs. The Consortium attracts investment from the G8 countries, emerging economies, such as China, Regional Economic Communities, and the African Union. The work of the Consortium is focused on four key areas: water and sanitation, energy, transportation, and information and communication technologies. Under the Canadian International Development Agency's project "Infrastructure Consortium for Africa (ICA) — Secretariat Support," which has been carried out since 2011 and is to be concluded in 2013, Canada contributed CAD1 million (approximately USD1 million) as a support for the ICA Secretariat hosted at the African Development Bank.³⁴¹⁰

On 30 April 2013, during a meeting with the ambassadors and high commissioners of African countries Canadian Minister of International Cooperation Julian Fantino announced Canada's contribution to the second phase of the New Partnership for Africa's Development Infrastructure Project Preparation Facility hosted by the African Development Bank. Through this contribution Canada will provide technical and financial assistance to Regional Economic Communities' and specialized regional institutions' infrastructure projects, which are capable of attracting public and private investments. "Our government is pleased to support infrastructure projects across Africa to bolster economic development on the continent," said Minister Fantino.³⁴¹¹

During the monitoring period Canada has made infrastructure investment in developing countries and took steps to mobilize infrastructure investment in developing countries from other sources. Thus, it is awarded a score of +1.

Analyst: Andrei Sakharov

China: +1

China has fully complied with the commitment on infrastructure investment.

China has invested in developing countries' infrastructure.

On 19 July 2012, Chinese President Hu Jintao at the Forum on China-Africa Cooperation in Beijing stated that China would provide USD20 billion in credit to African countries to assist them in developing four priority areas, including infrastructure.³⁴¹²

On 8 August 2012, Cambodia inaugurated a 128-kilometer China-funded national road No.62 in an effort to boost social and economic development in Northern provinces of the country. Construction of the road from Kampong Svay district to the provincial town of Preah Vihear cost about USD52 million and was financed through a soft loan from the Government of China.³⁴¹³ On 6 December 2012, the 121-kilometer national road No.78 was opened in Cambodia. This road

³⁴¹⁰ Project profile for Infrastructure Consortium for Africa (ICA) - Secretariat Support, Canadian International Development Agency 20 May 2011. Date of Access: 4 February 2013. <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/projEn/A034583001>.

³⁴¹¹ Harper Government supports regional economic development in Africa, Foreign Affairs, Trade and Development Canada 30 April 2013. Date of Access: 1 July 2013. <http://www.acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/NAD-43010848-JLK>.

³⁴¹² President Hu Proposes New Measures to Boost China-Africa Ties, Chinese Government 19 July 2012. Date of Access: 10 February 2013. http://english.gov.cn/2012-07/19/content_2187416.htm.

³⁴¹³ Cambodia Inaugurates China-Funded Road in Northern Provinces, Hunan Provincial People's Government 9 August 2012. Date of Access: 10 February 2013. http://www.english.gov.cn/Text_News/201208/t20120809_494212.htm.

was built by Shanghai Construction General Company and was also financed using a USD73.3 million soft loan from the Chinese government.³⁴¹⁴

On 13 September 2012, the Chinese Export and Import Bank (Exim-Bank) provided a loan of USD240 million for construction of flyovers and roads in Sri Lanka with the aim of making the town of Hambantota a transport hub.³⁴¹⁵

On 14 September 2012, the China-constructed Nadarivatu Hydroelectric Scheme was launched in Fiji. The Nadarivatu hydroelectric project, which cost around USD150 million, was partially funded by the China Development Bank.³⁴¹⁶

On 26 October 2012, China and Nigeria signed an agreement on providing USD23.7 million to construct national referral hospital in Niamey, Nigeria, by the Chinese government.³⁴¹⁷

On 21 November 2012, a 133-km national road No.8, extending from Prek Tamak Mekong River Bridge to Vietnam border, was launched in Cambodia. The total cost of this road is USD107 million, with USD83 million provided as a concessional loan from the Chinese government.³⁴¹⁸

On 22 November 2012, the construction of a 37-km four-lane expressway between Uganda's capital Kampala and Entebbe International Airport was started. The construction of this expressway is funded using a preferential loan from the Exim-Bank of China.³⁴¹⁹

On 7 January 2013, a 101-km road connecting the two border districts of Malawi was opened. This project, which was financed by the Chinese government, will speed up development of agriculture and mining in Malawi.³⁴²⁰

On 9 January 2013, Cote d'Ivoire's Prime Minister and Chinese ambassador to Cote d'Ivoire signed an agreement on providing a USD500 million loan to complete the construction of Soubre

³⁴¹⁴ Cambodia inaugurates China-funded 121-km road in northeast, Economic and Commercial Section of the Consulate General of the People's Republic of China in Chiang Mai 7 December 2012. Date of Access: 10 February 2013. <http://chiangmai2.mofcom.gov.cn/aarticle/chinanews/201212/20121208473332.html>.

³⁴¹⁵ China to Fund Infrastructure in Southern Sri Lanka, Chinese Government 13 September 2012. Date of Access: 10 February 2013. http://www.gov.cn/misc/2012-09/13/content_2224271.htm.

³⁴¹⁶ China-Constructed Hydroelectric Scheme Commissioned in Fiji, Xinhua New Agency 14 September 2012. Date of Access: 10 February 2013. http://news.xinhuanet.com/english/china/2012-09/14/c_131851542.htm.

³⁴¹⁷ China gives Niger 25.6 mln USD for hospital construction, Ministry of Foreign Affairs of the People's Republic of China 29 October 2012. Date of Access: 10 February 2013. <http://wcm.fmprc.gov.cn/pub/zflt/eng/zxxx/t983068.htm>.

³⁴¹⁸ Cambodia inaugurates China-funded road in eastern part, Economic and Commercial Section of the Consulate General of the People's Republic of China in Chiang Mai 22 November 2012. Date of Access: 10 February 2013. <http://chiangmai2.mofcom.gov.cn/article/chinanews/201212/20121208483429.shtml>.

³⁴¹⁹ Construction of 350 mln dollar Chinese funded expressway starts in Uganda, Ministry of Foreign Affairs of the People's Republic of China 23 November 2012. Date of Access: 10 February 2013. <http://www.fmprc.gov.cn/zflt/eng/zxxx/t992120.htm>.

³⁴²⁰ China hands over 101 km tarmac road to Malawi, Xinhua News Agency 7 January 2013. Date of Access: 10 February 2013. http://news.xinhuanet.com/english/china/2013-01/07/c_132086725.htm.

hydroelectric dam in the Ivorian South-Western region. It will be the biggest electricity generating plant in the country.³⁴²¹

On 22 January 2012, a new container terminal of the Phnom Penh Autonomous Port was opened in Cambodia. This 10–hectare terminal was constructed by Shanghai Construction General Company. Chinese government provided a USD28.2 million soft loan for its construction.³⁴²²

China has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 19 July 2012, at the 4th Conference of Chinese and African Entrepreneurs in Beijing officials and business leaders signed 8 deals worth USD341 million in different fields, including infrastructure. Chinese coal companies will invest USD7 billion over the next three to five years to explore coal resources in South Africa and improve the local transportation system.³⁴²³

On 5 November 2012, the China Civil Engineering Construction Corporation with the presence of Chinese ambassador to Nigeria Deng Boqing and with support of the Chinese government opened a railway technology training center in Nigeria that will train local artisans and technicians to manage modern transport services.³⁴²⁴

On 11 December 2012, the Nigerian government and Chinese firm signed an agreement on the construction of a 700MW power plant in Nigeria. This power plant will create more than 1000 jobs. China Exim-Bank will pay 75 percent of total costs, which are about USD1 billion. The Nigerian government will finance the remaining part.³⁴²⁵

During the compliance period China has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on infrastructure investment.

France has invested in developing countries' infrastructure.

On 15 November 2012, the Deputy Chief Executive Officer of AFD (French Development Agency) Didier Mercier and the President of the West African Development Bank (BOAD) Christian Adovelandé signed an agreement to refinance projects of transportation and community

³⁴²¹ China to fund construction of biggest hydroelectric dam in Cote d'Ivoire, Xinhua News Agency 9 January 2013. Date of Access: 10 February 2013. http://news.xinhuanet.com/english/china/2013-01/10/c_132093641.htm.

³⁴²² Cambodia inaugurates China-financed new container terminal, Guangxi Beibu Gulf Economic Zone 22 January 2013. Date of Access: 10 February 2013. <http://www.bbww.gov.cn/zt/bdl/article.php?id=71372>.

³⁴²³ Chinese, African Enterprises Sign Cooperative Projects, Chinese Government 19 July 2012. Date of Access: 3 November 2012. http://english.gov.cn/chinatoday/2012-07/19/content_2187475.htm.

³⁴²⁴ Chinese firm sets up railway technology training center in Nigeria, Ministry of Foreign Affairs of the People's Republic of China 6 November 2012. Date of Access: 10 February 2013. <http://www.fmprc.gov.cn/zflt/eng/zfgx/t986211.htm>.

³⁴²⁵ Nigeria, Chinese firm sign 1 bln USD power project, Economic and Commercial Section of the Consulate General of the People's Republic of China in Lagos 11 December 2012. Date of Access: 10 February 2013. <http://ng2.mofcom.gov.cn/article/bilateralvisits/201212/20121208488751.shtml>.

planning under the Regional Initiative for Sustainable Development (IRED) of the West African Economic and Monetary Union (WAEMU), worth EUR75 million (about USD96 million), and an agreement to support contracting authorities in the energy sector, worth EUR0.5 million (USD0.64 million).³⁴²⁶

On 4 January 2013, AFD provided a grant of EUR6 million (USD7.7 million) for the implementation of a project aimed to ensure access to safe drinking water in schools and rural areas in the Savannah Region, Togo.³⁴²⁷

On 18 June 2013, AFD has announced its financial and technical support to the construction of bridge in Chad.³⁴²⁸

On 28 June 2013, French Investment and Promotions Company for Economic Cooperation (PROPARCO) announced the signing of a USD25 million senior loan to finance the construction of two solar power plants in Northern Chile. These two plants are Chile's first operational solar projects of such a scale, having a total capacity of 26.5 MWe.³⁴²⁹

On 2 June 2013, AFD inaugurated its drinking water project in the Northern West Bank (Palestinian territories). This USD12.35 million project will connect the residents of the villages to the drinking water network.³⁴³⁰

France has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 23 January 2013, PROPARCO announced its EUR30 Million (USD38.5 million) loan to the Lomé Container Terminal (LCT), a container terminal operator at the Port of Lomé, Togo. The project provides for the construction and operation of a container terminal under a 35-year concession granted to LCT. The loan is part of a total of EUR225 million (about USD290 million) financing arranged by the International Finance Corporation and co-financed by several international financial institutions, including German DEG, the Netherlands' FMO (Dutch Development Bank), the African Development Bank and the OPEC Fund for International Development.³⁴³¹

³⁴²⁶ AFD and West African Development Bank sign three new cooperation agreements, AFD 16 November 2012. Date of Access: 10 March 2013.

http://www.afd.fr/lang/en/home/pays/afrique/ctnscroll_ActualitesList/6_6#.

³⁴²⁷ Water and sanitation in Togo: a priority area for the health of the population, AFD 4 January 2013. Date of Access: 10 March 2013.

http://www.afd.fr/lang/en/home/pays/afrique/ctnscroll_ActualitesList/6_6#.

³⁴²⁸ Lancement des travaux du pont sur le Batha, AFD 18 Juin 2013. Date of Access: 8 July 2013.

http://www.afd.fr/home/projets_afd/infrastructures_energie/Transport

³⁴²⁹ PROPARCO finances Chile's first solar power projects, PROPARCO 28 Juin 2013. Date of Access: 8 July 2013. http://www.proparco.fr/lang/en/Accueil_PROPARCO/Publications-Proparco/News_PROPARCO

³⁴³⁰ France inaugurates drinking water project in the Northern West Bank, AFD 1 July 2013. Date of Access: 8 July 2013. <http://www.afd.fr/lang/en/home/pays/mediterranee-et-moyen-orient/geo/territoires-palestiniens?actuCtnId=99835>

³⁴³¹ PROPARCO supports the Port of Lomé in Togo, PROPARCO 23 January 2013. Date of Access: 10 March 2013. http://www.proparco.fr/lang/en/Accueil_PROPARCO/Publications-Proparco/News_PROPARCO#.

On 3 February 2013, during his visit to Cambodia, the French Prime Minister Jean-Marc Ayrault reaffirmed the commitment of France to support Cambodian economic, political, cultural and human development.³⁴³² He also announced the intention of the French energy company EDF to construct a power plant via a public-private partnership scheme and promised to ensure governmental support for this project.³⁴³³

On 25 February 2013, PROPARCO allocated a USD38.5 million loan to finance the construction and operation of a wind farm in Uruguay. PROPARCO has coordinated the entire project, worth USD88.5 million, by involving Dutch development bank and German Investment and Development Corporation in its financing.³⁴³⁴

On 1 Mars 2013, representatives of Ministry of Industry and Trade, Electricity Regulation Authority of Vietnam (ERAV), Electricity of Vietnam Group (EVN), its Transmission subsidiary (NPT) and representatives of AFD and Asian Development Bank inaugurated the new 220 kV line Soc Son — Van Tri, financed by AFD. This USD11 million project was part of EUR40 million (about USD52 million) loan for Northern Power Transmission Sector Project. In November 2012, AFD signed a new EUR75 million (approximately USD98million) loan to finance partially the construction of the Pleiku — Cau Bong 500 kV transmission line, which is due to be completed in 2014.³⁴³⁵

On 23 April 2013, Member of the EC in charge of Development Andris Piebalgs and Burkinabe Minister for Mines, Quarries and Energy Lamoussa Salif Kaboré participated in a signing ceremony of the financing agreement to support the construction of a solar power plant in Burkina Faso. EUR63 million (about USD82 million) project is co-financed by AFD, European Investment Bank and the EU.³⁴³⁶

During the compliance period France has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on infrastructure investment.

³⁴³² Visite de Jean-Marc Ayrault pour les funérailles du Roi-Père, Ambassade de France à Phnom Penh 15 February 2013. Date of Access: 10 March 2013. <http://www.ambafrance-kh.org/Visite-du-Premier-ministre-Jean>.

³⁴³³ EDF voudrait construire une centrale électrique au Cambodge, Asie-info 8 February 2013. Date of Access: 10 March 2013. <http://asie-info.fr/2013/02/08/edf-voudrait-construire-une-centrale-electrique-au-cambodge-516714.html>.

³⁴³⁴ PROPARCO supports wind energy development in Uruguay, PROPARCO 25 February 2013. Date of Access: 10 March 2013. http://www.proparco.fr/lang/en/Accueil_PROPARCO/Publications-Proparco/News_PROPARCO.

³⁴³⁵ La mise sous tension de la ligne 220kV Soc Son – Van Tri, financée par l'AFD, accroît de 17% le transport d'électricité vers Hanoï. AFD 6 Mars 2013. Date of Access: 8 July 2013. http://www.afd.fr/home/projets_afd/appui-secteur-prive?engineName=search&requestedCategories=Energie

³⁴³⁶ Potentiel solaire du Burkina Faso et cofinancement des bailleurs européens : une combinaison gagnante. AFD 23 April 2013. Date of Access: 8 July 2013. <http://www.afd.fr/site/afd/resultsForTagSearch?engineName=search&requestedCategories=BF>

Germany has invested in developing countries' infrastructure.

On 9 January 2013, Federal Minister of Economic Cooperation and Development Dirk Niebel held meetings in North Sulawesi devoting to planned German-Indonesian development projects in the field of renewable energy. Germany committed itself to support Indonesia's national geothermal programme at the sites of at least two power stations. It also plans to support Indonesia in efforts to ensure that the smaller and more remote islands also gain access to clean, sustainable forms of energy.³⁴³⁷

On 11 January 2013, Hans-Joachim Otto, Parliamentary State Secretary in the Federal Ministry of Economics and Technology, headed business delegation to India and held talks with government representatives in order to explore possibilities for German firms to co-operate and invest there. One major topic at his meetings in New Delhi and Mumbai was an ambitious infrastructure project: the industrial corridor between the two cities. The route — almost 1,500 km long — is to be fitted out with special high-speed tracks for fast freight trains.³⁴³⁸

On 17 January 2013, Federal Environment Minister Peter Altmaier and deputy chair of China's National Energy Administration (NEA) Liu Qi signed a bilateral Memorandum of Understanding pledging future cooperation on the expansion of renewable energies between the Federal Environment Ministry and the NEA. With this agreement both countries are to work together on energy policy, the issue of system integration, environmental impacts and model projects such as China's "new energy cities" to overcome structural bottlenecks in the expansion of renewable energies in China.³⁴³⁹

On 21 February 2013, State Secretary in the Federal Ministry of Economics and Technology Stefan Kapferer and South African Energy Minister Dipuo Peters signed in Cape Town a joint declaration of intent on the establishment of a German-South African energy partnership. The partnership focuses on the expansion of renewable energies and power grids, energy efficiency and energy research. It also comprises co-operation in the field of carbon capture and storage (CCS).³⁴⁴⁰

³⁴³⁷ Dirk Niebel visits geothermal energy project in Indonesia, Federal Ministry for Economic Cooperation and Development 9 January 2013. Date of access: 22 January 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2013/januar/20130109_pm_03_indonesien/index.html.

³⁴³⁸ State Secretary Otto explores possibilities for German firms to co-operate and invest in India, Federal Ministry of Economics and Technology 11 January 2013. Date of access: 3 February 2013.

<http://www.bmwi.de/English/Navigation/Press/press-releases.did=546654.html>.

³⁴³⁹ New partnership for global transformation of energy systems, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 17 January 2013. Date of access: 31 January 2013.

http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/neue-partnerschaft-fuer-die-globale-energiewende/?tx_ttnews%5BbackPid%5D=103&cHash=f999e69845b36d405507ebce72b45a83.

³⁴⁴⁰ German Federal Government establishes German-South African energy partnership, Federal Ministry of Economics and Technology 21 February 2013. Date of access: 3 July 2013.

<http://www.bmwi.de/EN/Press/press-releases.did=554170.html>.

On 10 May 2013, King Mohammed VI of Morocco launched the construction of the world's largest solar power plant Ouarzazate. The German government is contributing USD148 million to the financing of the project.³⁴⁴¹

Germany has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 12 September 2012, Shell Gabon announced its participation in building a 53-km long road, which will connect the town of Gamba to the national road network.³⁴⁴² This project is the result of a tripartite agreement signed on 12 September by the Gabonese State, Shell Gabon and the German Cooperation for Development Agency (Deutsche Gesellschaft für internationale Zusammenarbeit, GIZ).³⁴⁴³

On 19 November 2012, KfW Entwicklungsbank (KfW development bank), on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), signed a loan agreement with the Moroccan Agency for Solar Energy (MASEN) amounting to EUR100 million (USD130 million) for the first large solar-thermal power plant in Morocco. According to Dr Norbert Kloppenburg, member of the Executive Board of KfW Bankengruppe, constructing this power plant Morocco "is providing a breakthrough for a low-carbon and climate-friendly future technology, while simultaneously reducing the country's high dependence on energy imports."³⁴⁴⁴

On 14 December 2012, KfW Entwicklungsbank, as part of KfW Bankengruppe (KfW banking group), acting on behalf of the BMZ, and the Brazilian energy company Companhia Energética de Minas Gerais (CEMIG) signed a loan agreement for EUR10 million (USD13 million) for the project "Solar World Cup 2014." Under the project, the roofs of the Mineirão and Mineirinho stadiums of the Brazilian World Cup city of Belo Horizonte will be fitted with photovoltaic systems. The project will be co-financed by Brazilian companies.³⁴⁴⁵

On 23 January 2013, KfW Bankengruppe (KfW banking group) on behalf of the BMZ, the French Development Agency and the European Investment Bank have agreed on a unique model for improving coordination and division of work among development banks for joint infrastructure projects in the energy and water sector in developing countries (Mutual Reliance Initiative, MRI). Among others, the initiative is used with projects in which EU grants are

³⁴⁴¹ German government supports world's largest solar power plant, Federal Ministry for Economic Cooperation and Development 10 May 2013. Date of access: 3 July 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2013/mai/130510_pm_98_German-government-supports-worlds-largest-solar-power-plant/index.html.

³⁴⁴² Shell Gabon invests for Gabon's growth, Official Portal of Gabonese Republic 14 September 2012. Date of access: 19 January 2013. <http://www.en.legabon.org/news/1055/shell-gabon-invest-gabons-growth>

³⁴⁴³ Developing a road to the future, the German Cooperation for Development Agency 14 September 2012. Date of access: 19 January 2013. <http://www.giz.de/en/mediacenter/10430.html>.

³⁴⁴⁴ Energy turnaround in Morocco, KfW Bankengruppe 19 November 2012. Date of access: 2 February 2013. http://www.kfw.de/kfw/en/KfW_Group/Press/Latest_News/PressArchiv/2012/20121119_59234.jsp.

³⁴⁴⁵ Solar World Cup 2014 brings energy turnaround to Brazil, KfW Bankengruppe 14 December 2012. Date of access: 2 February 2013. http://www.kfw.de/kfw/en/KfW_Group/Press/Latest_News/PressArchiv/2012/20121214_59570.jsp.

employed. The plan is also to extend the MRI to other interested development finance institutions.³⁴⁴⁶

On 31 May 2013, Dirk Niebel and Uganda's Energy Minister launched the Global Energy Transfer Feed-In Tariffs Programme (GET FiT for short). GET FiT is an innovative approach to promoting private investment in renewable energies. The programme is being carried out in cooperation with private sector partners such as Deutsche Bank and also with other donors and the World Bank. Over the next three to five years, through the GET FiT programme, up to 15 smaller power stations in Uganda that have been developed by private project companies are to be connected to the grid. They will increase Uganda's power production by a fifth.³⁴⁴⁷

During the compliance period Germany has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Julia Ovchinnikova

India: +1

India has fully complied with the commitment on infrastructure investment.

India has invested in developing countries' infrastructure.

India is involved in a number of infrastructure projects in Myanmar. The main one is the Kaladan project aimed at linking the Sittwe port with the city of Mizoram by road and waterway. The project was launched in 2008 and is slated for completion by 2013-2014.³⁴⁴⁸ On 13 February 2013, Myanmar President U Thein Sein and India's Lok Sabha (Lower House of Parliament) Speaker Meira Kumar agreed to speed up the implementation of this project. Both sides also pledged to work toward the acceleration of the repair work of Moreh-Tamu-Kalay-Kalewa-Mandalay highway, and renovation of the Ledo Road, which links India's Assam to Kunming in China, and passes through the territory of Myanmar en route.³⁴⁴⁹

In 2012, India undertook several infrastructure development projects in Sri Lanka. These include rehabilitation of the Kankesanthurai Harbour and construction of a hospital in the city of Dickoya. India also disbursed about USD800 million for the rehabilitation of railways in the Northern Province of Sri Lanka. Three projects within this program are expected to be completed by end-2013.³⁴⁵⁰

³⁴⁴⁶ Development Cooperation from a single source, KfW Bankengruppe 23 January 2013. Date of access: 2 February 2013.

http://www.kfw.de/kfw/en/KfW_Group/Press/Latest_News/PressArchiv/2013/20130123_59929.jsp.

³⁴⁴⁷ Expand our cooperation with private enterprises in the energy sector, Federal Ministry for Economic Cooperation and Development 31 May 2013. Date of access: 3 July 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2013/mai/130531_pm_114_Dirk-Niebel-in-Uganda-Expand-our-cooperation-with-private-enterprises-in-the-energy-sector/index.html

³⁴⁴⁸ In Scramble for Myanmar, India Tries to Build on Earlier Gains, Ministry of External Affairs of India 27 May 2012. Date of Access: 29 March 2013. <http://www.mea.gov.in/articles-in-indian-media.htm?dtl/19923/In+scramble+for+Myanmar+India+tries+to+build+on+earlier+gains>.

³⁴⁴⁹ Myanmar, India to speed up construction projects, Xinhua 14 February 2013. Date of Access: 29 March 2013. http://news.xinhuanet.com/english/world/2013-02/14/c_132168211.htm.

³⁴⁵⁰ Annual Report 2012-2013, Ministry of External Affairs of India 14 March 2013. Date of Access: 29 March 2013. http://mea.gov.in/Uploads/PublicationDocs/21385_Annual_Report_2012-2013_English.pdf.

In 2012, according to the Indian Ministry of External Affairs, work on the Stung Tasal Water development project in Cambodia progressed. The project is financed through three Lines of Credit worth USD60 million, provided by Indian authorities.³⁴⁵¹

On 19 September 2012, Indian Minister for Communications and IT Kapil Sibal during his visit to Turkmenistan mentioned that India could help Turkmenistan in setting up its satellite system, developing optical fiber networks, and constructing GPS network for shipping navigation.³⁴⁵²

On 6 June 2013, Indian Minister of Commerce, Industry and Textiles Anand Sharma held talks with several officials from Myanmar and pledged Indian support to infrastructure development in this country. In particular, he mentioned Indian interest in the construction of a pipeline between the two countries through Bangladesh and announced the work of a joint working group on determining feasibility of rail and shipping links between India and Myanmar.³⁴⁵³

India has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 28 June 2012, the Confederation of Indian Industry, several Afghan investment and business organizations and Governments of both countries organized the Delhi Investment Summit on Afghanistan. The main purpose of this event was to “attract, foreign investment into Afghanistan...in areas like mining, hydrocarbons and infrastructure.”³⁴⁵⁴

On 18 July 2012, Export Import Bank of India (Exim Bank) organized a seminar on “India-Myanmar: Enhancing Bilateral Trade and Investment Relations” in Mumbai. Major Indian companies were invited to discuss the emerging investment opportunities in Myanmar, and ways to enhance bilateral cooperation, particularly in the area of infrastructure development.³⁴⁵⁵

On 10-11 September 2012, the India-Myanmar-Thailand Joint Task Force meeting on the Trilateral Highway Project was held in New Delhi. Members of the Task Force discussed the project of a Trilateral Highway from Moreh in India to Mae Sot in Thailand through Myanmar. The participants of the meeting agreed to complete the project by 2016 on terms of co-financing by the three governments.³⁴⁵⁶

³⁴⁵¹ Annual Report 2012-2013, Ministry of External Affairs of India 14 March 2013. Date of Access: 29 March 2013. http://mea.gov.in/Uploads/PublicationDocs/21385_Annual_Report_2012-2013_English.pdf.

³⁴⁵² India Offers to Build Information Technology and Educational Infrastructure for Turkmenistan, Press Information Bureau, Government of India 19 September 2012. Date of Access: 29 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=87848>.

³⁴⁵³ India promises developmental aid to Myanmar, Zeenews 6 June 2013. Date of Access: 10 July 2013. http://zeenews.india.com/news/nation/india-promises-developmental-aid-to-myanmar_853281.html.

³⁴⁵⁴ About the Summit, Delhi Investment Summit on Afghanistan 2012. Date of Access: 29 March 2013. <http://www.dsafghan.in/>.

³⁴⁵⁵ Myanmar is an opportunity for the next decade, Office of Adviser to the PM - National Council on Skill Development 25 July 2012. Date of Access: 29 March 2013. <http://www.skilldevelopment.gov.in/node/249>.

³⁴⁵⁶ India-Myanmar-Thailand Joint Task Force Meeting on the Trilateral Highway Project, Ministry of External Affairs of India 11 September 2012. Date of Access: 29 March 2013. <http://www.mea.gov.in/press-releases.htm?dtl/20541/IndiaMyanmarThailand+Joint+Task+Force+Meeting+on+the+Trilateral+Highway+Project>.

On 16 February 2013, Governments of India and Bangladesh signed a Memorandum of Understanding for development of railway infrastructure. The document provides for the construction of a rail link between Agartala, India and Akhaura, Bangladesh. The financing, which amounts to more than USD60 million, will be provided in almost equal parts by the two countries.³⁴⁵⁷

In 2013, Indian Eximbank provided several Lines of Credit (LOCs) and issued invitations to bid for implementing corresponding projects. In particular, USD100 million was provided to the government of Nepal for Indo-Nepal Cross Border Power Transmission Line project, USD15 million — to Togo for a project of rural electrification, about USD179 million — to Tanzania for a water transmission project, and USD76.5 million — for irrigation networks in Malawi.³⁴⁵⁸

During the compliance period India has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Indonesia: +1

Indonesia has fully complied with the commitment on infrastructure investment.

Indonesia has invested in developing countries' infrastructure.

On 12 July 2012, a top-manager of the state-owned company Telekomunikasi Indonesia (Telkom) Syarif Syarial Ahmad announced that Telkom will invest USD50 million in East Timor in the coming 15 years to help the country create modern telecommunications infrastructure.³⁴⁵⁹

Indonesia has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 27 June 2012, the Minister of Energy and Mineral Resources of Indonesia Jero Wacik stated that Indonesia would follow up its energy investment offer in Iraq. The Indonesian government will also encourage the involvement of BUMN (State-Owned Enterprises) and private companies in the development of infrastructure in Iraq.³⁴⁶⁰

On 28 December 2012, Indonesian Foreign Minister Marty Natalegawa announced the priorities of the Indonesian chairmanship in APEC. These include “attaining the Bogor Goals, achieving

³⁴⁵⁷ Memorandum of Understanding Between the Government of the Republic of India and the Government of the People's Republic of Bangladesh for Development of Railway Infrastructure to Establish Rail Link Between Agartala (India) and Akhaura (Bangladesh), Ministry of External Affairs of India 16 February 2013. Date of Access: 29 March 2013. http://mea.gov.in/Images/pdf/bangladesh_doc.pdf.

³⁴⁵⁸ Lines of Credit, Export-Import Bank of India 2013. Date of Access: 10 July 2013. <http://www.eximbankindia.com/loc.asp>.

³⁴⁵⁹ Telkom to Spend \$50 Million in East Timor, The Jakarta Globe 12 July 2012. Date of Access: 11 February 2013. <http://www.thejakartaglobe.com/business/telkom-to-spend-50-million-in-east-timor/530015>.

³⁴⁶⁰ Indonesia Will Prepare Energy Investment in Iraq, Ministry of Energy and Mineral Resources of Republic of Indonesia, 28 June 2012. Date of Access: 21 November 2012. <http://www.esdm.go.id/news-archives/general/49-general/5822-indonesia-will-prepare-energy-investment-in-iraq-.html>.

sustainable growth and promoting connectivity.”³⁴⁶¹ The latter goal will be attained through the implementation of the two initiatives, Infrastructure Investment Framework for Connectivity and APEC Guidelines on Delivering Bankable Projects, aimed at stimulating infrastructure investment and development in APEC countries.³⁴⁶² On 5 July 2013, officials from APEC member countries started discussing these priorities in the framework of Indonesian chairmanship at their meeting in the North Sumatra city of Medan.³⁴⁶³

During the compliance period Indonesia has invested in developing countries’ infrastructure and has taken actions to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: +1

Italy has fully complied with the commitment on infrastructure investment.

Italy has invested in developing countries’ infrastructure.

On 14 September 2012, during the Italian-Egyptian Business Council in Rome the Italian and Egyptian delegations signed 7 documents, including “an agreement defining in detail a number of concrete initiatives for the second stage of the project envisaging Italian assistance for the development of Egypt’s rail transport sector.”³⁴⁶⁴

On 4 October 2012, Italian Development Cooperation Office announced that the contribution of Italy will make it possible to build a new water supply system in the province of Jbeil, Lebanon. The new water supply system will replace the existing one, “totally inadequate for the needs of the population of the region.” The work also includes the construction of 2 new wells in Qartaba, 2 pumping stations and 15 new tanks, as well as laying 100 km of pipelines. The second part of the project will be related to the sewer system. The work should start in the spring of 2013.³⁴⁶⁵

On 29 March 2013, Italian Ministry of Foreign Affairs announced a new contribution of EUR920,000 (about USD1.2 million) to the initiative “Educational Radio and TV of Afghanistan — Ertv” aimed at expanding broadcast coverage to add 10 new provinces to the 7 already covered. The initiative is expected to facilitate better distance learning in Afghanistan. Distance learning plays an especially important role in Afghanistan where mountainous terrain, lack of

³⁴⁶¹ Resilience and Sustainability Focus for Govt as APEC Chair, The Jakarta Globe 29 December 2012. Date of Access: 11 February 2013. <http://www.thejakartaglobe.com/business/resilience-and-sustainability-focus-for-govt-as-apec-chair/563941>.

³⁴⁶² As chair, Indonesia can revitalise APEC, East Asia Forum 5 February 2013. Date of Access: 10 February 2013. <http://www.eastasiaforum.org/2013/02/05/as-chair-indonesia-can-revitalise-apec/>.

³⁴⁶³ APEC members begin talks on connectivity and infrastructure, The Jakarta Post 6 July 2013. Date of Access: 7 July 2013. <http://www.thejakartapost.com/news/2013/07/06/apec-members-begin-talks-connectivity-and-infrastructure.html>.

³⁴⁶⁴ Italy-Egypt: Strategic partners, says Terzi. Seven cooperation agreements, Italian Ministry of Foreign Affairs 14 September 2012. Date of Access: 23 October 2012. http://www.esteri.it/MAE/EN/Sala Stampa/ArchivioNotizie/Approfondimenti/2012/09/20120914_itegsett.htm?LANG=EN.

³⁴⁶⁵ Nuovo acquedotto con i crediti d’aiuto, Italian Development Cooperation 4 October 2012. Date of Access: 30 October 2012. <http://www.cooperazioneallosviluppo.esteri.it/pdgc/italiano/news/viewnews.asp?idx=5499>.

infrastructure and socio-cultural rigidity combine to make access to education in rural areas difficult.³⁴⁶⁶

Italy has taken measures to facilitate the mobilization of infrastructure financing in the developing countries from other sources.

On 5 December 2013, Italian Deputy Minister for Infrastructure and Transport Mario Ciaccia and Algerian Minister of Habitat and Urban Policies Abdelmadjid Tebboune signed a memorandum of understanding (MoU) during a mission with participation of some Italian entrepreneurs from the construction sector. The MoU provides for the creation of Italian-Algerian joint enterprises in Algeria to build 100,000 apartments and corresponding infrastructure networks, with a particular focus on transportation systems. The collaboration will be possibly extended to the field of renovation of old buildings, property management, engineering and assistance in project management and construction of public facilities.³⁴⁶⁷ Another Italian visit to Algeria focused on cooperation in the area of infrastructure development with a larger delegation of companies, including small businesses, took place on 23 and 24 January 2013.³⁴⁶⁸

During the compliance period Italy has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with the commitment on infrastructure investment.

Japan has invested in developing countries' infrastructure.

On 28 June 2012, Japan signed Grant Agreements with the Republic of South Sudan. According to the agreements, Japan International Cooperation Agency (JICA) would provide grants for three projects: JPY3.869 billion (approximately USD41 million) for the Project for the Improvement of Water Supply System of Juba in South Sudan, JPY75 million (approximately USD795,700) for the Project for Improvement of Juba River Port and JPY131 million (approximately USD1.4 million) — the Project for Construction of Nile River Bridge.³⁴⁶⁹

From 20 June 2012 to 12 February 2013, JICA signed ODA loan Agreements to finance infrastructure projects, such as road and bridge construction, local transportation and transmission

³⁴⁶⁶ Afganistan - Da Italia nuovo contributo per istruzione, Italian Ministry of Foreign Affairs 29 March 2013. Date of Access: 1 July 2013.
http://www.esteri.it/MAE/IT/Sala Stampa/ArchivioNotizie/Approfondimenti/2013/03/20130329_afganistan.htm?LANG=IT.

³⁴⁶⁷ Ciaccia: è il sistema Italia che si mobilita per rispondere a richiesta nuove infrastrutture, Italian Ministry for Infrastructure and Transport 5 December 2012. Date of Access: 28 January 2013.
<http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=2375>.

³⁴⁶⁸ Infrastrutture: Ciaccia, grandi opportunità per il sistema Italia in Algeria, Italian Ministry for Infrastructure and Transport 23 January 2013. Date of Access: 28 January 2013.
<http://www.mit.gov.it/mit/site.php?p=cm&o=vd&id=2425>.

³⁴⁶⁹ Signing of First Grant Agreements with the Republic of South Sudan, Japan International Cooperation Agency 28 June 2012. Date of Access: 05 February 2013.
<http://www.jica.go.jp/english/news/press/2012/120628.html>.

systems improvement, communications network and water supply development in Brazil³⁴⁷⁰, India^{3471,3472}, Botswana and Zambia³⁴⁷³, Iraq³⁴⁷⁴, Guatemala³⁴⁷⁵ and Peru³⁴⁷⁶. In total JICA pledged to provide up to JPY237.383 billion (approximately USD2.5 billion) in loans.

From July to September 2012, JICA signed Grant Aid Agreements to finance infrastructure projects, such as road construction, water and energy supply development in Nepal, Thailand, Malawi, Cameroon and Nigeria. The total amount of JICA's grant aid during this period is JPY11.887 billion (approximately USD126.9 million).³⁴⁷⁷

On 28 December 2012, JICA and the Government of Myanmar signed a grant aid agreement that will provide up to JPY1.71 billion (approximately USD18.2 million) for the Project for Urgent Improvement of Communication Networks.³⁴⁷⁸

On 28 May 2013, the government of Japan announced that it will purchase 106 road construction equipments worth USD30 million for Afghanistan. The equipment will be transferred to Bamyan, Daikundi, Ghazni and Ghor provinces.³⁴⁷⁹

On 4 June 2013, Japan's Prime Minister Shinzo Abe announced during Tokyo International Conference on African Development in Yokohama that Japan will provide JPY650 billion

³⁴⁷⁰ Signing of a Japanese ODA Loan Agreement with the Federative Republic of Brazil, Japan International Cooperation Agency 4 September 2012. Date of Access: 06 February 2013.

<http://www.jica.go.jp/english/news/press/2012/120904.html>.

³⁴⁷¹ Signing of Japanese ODA Loan Agreements with the Government of India, Japan International Cooperation Agency 28 September 2012. Date of Access: 06 February 2013.

<http://www.jica.go.jp/english/news/press/2012/120928.html>.

³⁴⁷² Signing of Japanese ODA Loan Agreements with the Government of India, Japan International Cooperation Agency 29 October 2012. Date of Access: 06 February 2013.

<http://www.jica.go.jp/english/news/press/2012/121029.html>.

³⁴⁷³ Signing of Japanese ODA Loan Agreements with the Republics of Botswana and Zambia, Japan International Cooperation Agency 12 October 2012. Date of Access: 06 February 2013.

http://www.jica.go.jp/english/news/press/2012/121012_03.html.

³⁴⁷⁴ Signing of Japanese ODA Loan Agreements with the Republic of Iraq, Japan International Cooperation Agency 15 October 2012. Date of Access: 06 February 2013.

http://www.jica.go.jp/english/news/press/2012/121015_03.html.

³⁴⁷⁵ Signing of Japanese ODA Loan Agreement with the Republic of Guatemala, Japan International Cooperation Agency 06 November 2012. Date of Access: 06 February 2013.

http://www.jica.go.jp/english/news/press/2012/121106_01.html.

³⁴⁷⁶ Signing of Japanese ODA Loan Agreement with the Republic of Peru, Japan International Cooperation Agency 09 January 2013. Date of Access: 06 February 2013.

http://www.jica.go.jp/english/news/press/2012/130109_01.html.

³⁴⁷⁷ List of The Grant Aid Projects, Japan International Cooperation Agency 07 November 2012. Date of Access: 06 February 2013. http://www.jica.go.jp/english/news/press/2012/c8h0vm00002dp9yy-att/121107_01_01.pdf.

³⁴⁷⁸ Signing of Grant Aid Agreement with the Republic of Union of Myanmar, Japan International Cooperation Agency 28 December 2012. Date of Access: 06 February 2013.

http://www.jica.go.jp/english/news/press/2012/121228_01.html.

³⁴⁷⁹ Jawad S. Japan Buy \$30m Road Maintenance Equipments for Afghanistan, Khaama Press 28 May 2013. Date of Access: 10 July 2013. <http://www.khaama.com/japan-buy-30m-road-maintenance-equipments-for-afghanistan-2148>.

(approximately USD6.5 billion) to support infrastructure development in Africa in the next 5 years.³⁴⁸⁰

Japan has taken measures to facilitate the mobilization of infrastructure financing in the developing countries from other sources.

On 29 June 2012, JICA selected 11 projects for the “Small and Medium-Sized Enterprise Partnership Promotion Survey (F/S Assistance).” JICA’s goal is to strengthen relations with the small and medium-sized companies that are interested in solving development problems in developing countries. JICA is going to spend up to JPY10 million (approximately USD106,100) in survey expenses for projects that have been evaluated and selected by JICA from various perspectives including the effects the projects would have on solving development problems in the developing country, its feasibility as a project. Five out of the 11 selected projects are aimed at infrastructure development and include improvement of water supply in Malaysia and Vietnam, transportation system in Vietnam, power generation in Cambodia and energy efficiency in Mongolia.³⁴⁸¹

On 30 July 2012, JICA selected 7 out of 19 projects submitted by 44 Japanese corporations under the Preparatory Survey for PPP Infrastructure (a scheme for formulating project plans based on proposals from the private sector relating to public-private partnership infrastructure projects to be cooperatively implemented by the public sector and the private sector). The selected projects are to be implemented in such areas as ports, electric power, water supply and sewerage systems, railways and highways in Vietnam, Cambodia, Laos, Indonesia, Mozambique and other countries. JICA is to spend up to JPY150 million (approximately USD1.6 million) on the study costs. The objective of these studies is to formulate a project plan, targeting PPP infrastructure projects by the public and private sectors.³⁴⁸²

On 27 August 2012, JICA signed a memorandum of cooperation with the City of Kawasaki. JICA’s goal is to use the Kawasaki Water Business Network, a new platform for public-private partnerships on the water sector, as a tool to help Asian developing regions, for example Danang City, Vietnam. Kawasaki Water Business Network is a platform for promoting water business by connecting private companies’ technologies, products, and know-how and Kawasaki City’s operational technologies and know-how in waterworks and sewerage in order to enhance the global water environment.³⁴⁸³

On 9 October 2012, the third Steering Committee, co-chaired by Japanese Minister of Foreign Affairs Koichiro Gamba and, Indonesian Coordinating Minister for Economic Affairs Hatta Rajasa, approved the Master Plan Study for Establishing Metropolitan Priority Area for Investment and Industry (MPA) in Jakarta Metropolitan Area. According to this study, there are

³⁴⁸⁰ Gambia Gets US\$17M Project Grant from Japan, Daily Observer 04 June 2013.

<http://observer.gm/africa/gambia/article/gambia-gets-us17m-project-grant-from-japan>.

³⁴⁸¹ 11 Projects Selected for the First “Small and Medium-Sized Enterprise Partnership Promotion Survey”, Japan International Cooperation Agency 29 June 2012. Date of Access: 05 February 2013.

<http://www.jica.go.jp/english/news/press/2012/120629.html>.

³⁴⁸² Seven Projects Proposed by the Private Sector Selected for the Preparatory Survey for PPP Infrastructure, Japan International Cooperation Agency 30 July 2012. Date of Access: 05 February 2013.

<http://www.jica.go.jp/english/news/press/2012/120730.html>.

³⁴⁸³ City of Kawasaki and JICA Conclude Partnership Memorandum, Japan International Cooperation Agency 27 August 2012. Date of Access: 05 February 2013.

<http://www.jica.go.jp/english/news/press/2012/120827.html>.

45 priority infrastructure projects in Jakarta, which will require the financing equal to about JPY3.4 billion (approximately USD36.1 million) by 2020 coming both from public and private investors.³⁴⁸⁴

During the compliance period Japan has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Evgeny Gushchin

Korea: +1

Korea has fully complied with the commitment on infrastructure investment.

Korea has invested in developing countries' infrastructure.

On 16 October 2012, the Export-Import Bank (Eximbank) of Korea concluded a loan agreement to fund an irrigation system project in Tanzania. The project, which is worth USD50 million, aims to build an irrigation system for agricultural use in the Tanzanian island of Zanzibar.³⁴⁸⁵

On 7 April 2013, Korea Eximbank announced the provision of USD200 million in credit for the Lo Te — Rach Soi Highway Construction Project in Vietnam. This loan was the largest one ever provided by Eximbank in the framework of its Economic Development and Cooperation Fund, a special fund which “assists developing countries in achieving industrialization and economic stability through the provision of long-term, low-interest credit.”³⁴⁸⁶

On 23 May 2013, Korea Eximbank signed a loan agreement with the government of Cambodia to extend USD37 million for the Sala Ta Orn Dam Construction Project. The multipurpose dam is expected to stimulate rice production in Cambodia.³⁴⁸⁷

Korea has attracted co-financing for several infrastructure development projects.

On 10 July 2012, Korea Eximbank pledged to provide USD280 million in financing for the Istanbul Strait Road Crossing Project, connecting Europe and Asia via a tunnel beneath the Bosphorus Strait. Eximbank also facilitated the co-financing totaling USD680 million by 11 financial institutions including the European Investment Bank, European Bank for Reconstruction

³⁴⁸⁴ Master Plan Study for Establishing Metropolitan Priority Area for Investment and Industry (MPA) in JABODETABEK Area Approved by the Steering Committee consisting of the cabinet members of the Japanese and Indonesian governments, Japan International Cooperation Agency 09 October 2012, Date of Access: 06 February 2013. <http://www.jica.go.jp/english/news/press/2012/121009.html>.

³⁴⁸⁵ Korea Eximbank Assists Africa with Agricultural Irrigation System and HR Development, Korea Eximbank 16 October 2012. Date of Access: 29 March 2013. http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11259&bbs_code_id=1316753474007&bbs_code_tp=BBS_2.

³⁴⁸⁶ Korea Eximbank Paves Major Transportation Network in Southern Vietnam, Korea Eximbank 8 April 2013. Date of Access: 10 July 2013. http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11841&bbs_code_id=1316753474007&bbs_code_tp=BBS_2&req_pg=4.

³⁴⁸⁷ Korea Eximbank Extends USD 37 Million EDCF Loan for Sala Ta Orn Dam Construction Project, Korea Eximbank 24 May 2013. Date of Access: 10 July 2013. http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=12015&bbs_code_id=1316753474007&bbs_code_tp=BBS_2&req_pg=2.

and Development, and Korea Trade Insurance Corporation, “by showcasing flexible financing conditions.”³⁴⁸⁸

On 14 February 2013, Korea Eximbank announced that it will provide a USD194 million financing for the construction of the waste-gas power plant in Indonesia. Eximbank will finance 70% of the total project cost which equals USD277 million, while 30% will be provided by the private sector.³⁴⁸⁹

Korea has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 9 October 2012, the Global Infrastructure Development Cooperation Forum hosted by the Ministry of Strategy and Finance, and organized by Korea Eximbank was held in Seoul. 150 representatives from Korean and foreign institutions involved in public-private partnerships in the area of infrastructure, including Japan International Cooperation Agency(JICA), as well as government officials from developing countries, including the Philippines and Vietnam, participated in the meeting. The forum focused on infrastructure investment as a driver of growth and means of poverty reduction in developing countries.³⁴⁹⁰

On 27 February 2013, Korea Eximbank presented its new guarantee program for infrastructure projects at the briefing with more than 200 delegates from Korean companies. The proposed guarantee scheme aims to help institutions that finance infrastructure projects through public-private partnership deals, but have low sovereign credit ratings. Thus, it can “better support large-scale infrastructure projects in developing countries.”³⁴⁹¹

On 20 March 2013, Korea Eximbank co-hosted a seminar on reducing risk in overseas infrastructure projects. The seminar was organized to support Korean firms wanting to participate in infrastructure projects abroad through providing information on “project risk management techniques, and risks and opportunities in emerging markets.”³⁴⁹²

³⁴⁸⁸ USD 280 Million Pledged for the Istanbul Strait Road Crossing Project, Korea Eximbank 7 July 2012. Date of Access: 29 March 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=10674&bbs_code_id=1316753474007&bbs_code_tp=BBS_2.

³⁴⁸⁹ Korea Eximbank Supports Project Financing for Indonesia’s Power Plant Project Using Waste Gas, Korea Eximbank 15 February 2013. Date of Access: 29 March 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11522&bbs_code_id=1316753474007&bbs_code_tp=BBS_2.

³⁴⁹⁰ Global Infrastructure Development Cooperation Forum, Korea Eximbank 9 October 2012. Date of Access: 29 March 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11254&bbs_code_id=1316753474007&bbs_code_tp=BBS_2.

³⁴⁹¹ Korea Eximbank Holds ‘Briefing on EDCF Assistance Strategy for 2013’, Korea Eximbank 28 February 2013. Date of Access: 29 March 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11534&bbs_code_id=1316753474007&bbs_code_tp=BBS_2.

³⁴⁹² Korea Eximbank Co-hosts a PF seminar on ‘Reducing Risk in Overseas Infrastructure Projects, Korea Eximbank 20 March 2013. Date of Access: 10 July 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11746&bbs_code_id=1316753474007&bbs_code_tp=BBS_2&req_pg=4.

During the compliance period Korea has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Mexico: +1

Mexico has fully complied with the commitment on infrastructure investment.

Mexico has invested in developing countries infrastructure.

On 16 August 2012, Mexican Agency for International Development Cooperation (AMEXCID) inaugurated the electricity grid (800 km, 15 substations with 300MW capacity) in San Salvador province (El Salvador) within the project "Central American Electrical Interconnection System" (SIEPAC) (released within Mesoamerica project (PM)). This grid will provide the electricity for more than 34.6 million of people. The capacity of the grid will be increased to 600 MW by 2016. The project is financed by AMEXCID, Mexican National Bank of External Trade (BANCOMEXT), Inter-American Development Bank (IDB) and Central American Bank for Economic Integration (BCIE).³⁴⁹³

On 20 August 2012, AMEXCID participated in opening of the renewed road "Empalme Nejapa-Empalme Puerto Sandino" in Nicaragua. The project was financed by Central American Bank for Economic Integration (BCIE) and AMEXCID and cost USD21 million.³⁴⁹⁴

On 24-26 October 2012, Mexico participated in CELAC Infrastructure, Transport and Communications Ministers meeting to approve the Action Plan of Santiago aimed at infrastructure and transport development for enhancing integration in Latin American and Caribbean countries. Mexico was presented by Foreign and Transport Ministers, as well as General Director of Mesoamerica Project (PM) from Mexico Constanza McCluskey Cassagne. Cassagne and Executive Director of PM presented infrastructure projects implemented in the framework of PM and committed to continue this work in future.³⁴⁹⁵

On 19 November 2012, Mexican Government announced the project "Well Drilling in Zacatecoluca municipality, La Paz province, El Salvador." The project will provide 3900 persons with potable water. According to the Mexican Ambassador to El Salvador Raúl López Lira, the project will improve the infrastructure in the municipality damaged by natural disasters.³⁴⁹⁶

³⁴⁹³ Proyecto Mesoamérica de la AMEXCID Inaugura Tramo de Red Eléctrica en El Salvador, AMEXCID 16 August 2012. Date of Access: 22 January 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1568-proyecto-mesoamerica-amexcid-inaugura-tramo-red-electrica-el-salvador>

³⁴⁹⁴ Con la Ayuda de la AMEXCID se Rehabilitará Tramo Carretero en Nicaragua, AMEXCID 20 August 2012. Date of Access: 25 January 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1602-amexcid-rehabilitacion-tramo-carretero-nicaragua>.

³⁴⁹⁵ Aprueban Plan de Acción de Santiago para Impulsar Infraestructura, Transporte y Telecomunicaciones, AMEXCID 26 October 2012. Date of Access: 21 January 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1643-aprueban-plan-de-accion-de-santiago-para-impulsar-infraestructura-transporte-y-telecomunicaciones>.

³⁴⁹⁶ México apoya proyecto de perforación de pozo en El Salvador, AMEXCID 19 December 2012. Date of Access: 7 July 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1695-mexico-apoya-proyecto-pozo-el-salvador>.

On 12-13 March 2013, General Director of Mesoamerican Integration and Development Project (MIDP) Erika Contreras visited Honduras to analyze the projects implementation in health and road construction areas. She visited new segments of the highway CA-05 constructed using Mexican financial support within the Yucatan agreement.³⁴⁹⁷

On 1 April 2013, General Director of MIDP visited Belize to discuss the future cooperation in electrification and infrastructure development within the Yucatán Agreement. Contreras pointed out that the international bridge Chac-Temal is to be opened soon. Mexico financed the construction of 551 metres long road segment to connect the bridge and the port.³⁴⁹⁸

On 27-28 June 2013, Mexico participated in the Ministerial meeting on Energy Integration in Mesoamerica in Washington. The Mexican delegation was headed by the Energy Ministry (SENER) representatives. The meeting was organised within the “Connecting the Americas 2022” project launched in 2012 and aimed at broadening access to electricity in the region and enhancing electricity interconnections. The representatives of Belize, Colombia, El Salvador, Guatemala, Honduras, Panama and Dominican Republic took part in the event. Mexico confirmed its commitment to assist the Mesoamerican countries in development of electricity nets.³⁴⁹⁹ The participants agreed to stimulate the implementation of “Action Plan for SIEPAC/MER³⁵⁰⁰ Consolidation” including 10 strategic actions in infrastructure investment, national and international regulation. The Plan proposes to enhance integration of Mexico, Colombia and Belize through better electricity interconnections.³⁵⁰¹

Mexico has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 12-14 November 2012, the seminar ‘Foreign Investments Promotion’ aimed at sharing experience on foreign direct investments attraction with a focus on infrastructure investment was organized by AMEXCID and Chilean Agency on International Cooperation (AGCI) within the second phase of the project “Training Professionals for the Ministry of Economy of Haiti.” The representatives of Haitian Investments Facilitation Center, Chamber of Commerce and Industry and Haitian Embassy in Mexico took part in the event.³⁵⁰²

³⁴⁹⁷ México y Honduras impulsan proyectos en Mesoamérica, AMEXCID 14 March 2013. Date of Access: 7 July 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1750-mexico-y-honduras-impulsan-proyectos-en-mesoamerica>.

³⁴⁹⁸ Analizan México y Belice posibles áreas de cooperación en el marco del Proyecto Mesoamérica, Proyecto Mesoamerica Official Site 1 April 2013. Date of Access: 7 July 2013. http://www.proyectomesoamerica.org/joomla/index.php?option=com_content&view=article&id=573&Itemid=85.

³⁴⁹⁹ La Dirección General del Proyecto Mesoamérica asiste a Connecting the Americas 2022, en Washington, AMEXCID 27 June 2013. Date of Access: 7 July 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1818-la-direccion-general-del-proyecto-mesoamerica-asiste-a-connecting-the-americas-2022-en-washington>.

³⁵⁰⁰ System of Electricity Interconnections of Central American Countries (SIEPAC), Regional Electricity Market (MER).

³⁵⁰¹ Plan de Acción para la consolidación del SIEPAC/MER, Inter-American Development Bank Official Site. Date of Access: 7 July 2013. <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=37865108>.

³⁵⁰² Conocen Funcionarios Haitianos Estrategias Mexicanas de Ppromoción de Inversiones Extranjeras, AMEXCID 15 November 2012. Date of Access: 24 January 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1668-seminario-promocion-inversiones-extranjeros-haitianos-fondo-mex-chi>.

During the compliance period Mexico has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it gets a score of +1.

Analyst: Elizaveta Safonkina

Russia: 0

Russia has partially complied with the commitment on infrastructure investment.

Russia has invested in developing countries' infrastructure.

On 25 December 2012, the Russian Government decided to allocate USD1 million to the World Food Program for the Food for Work project implementation in Kyrgyzstan. Project includes repair and restoration of transport infrastructure and irrigation facilities in several regions of Kyrgyzstan.³⁵⁰³

On 18 March 2013, the Russian Government adopted the State Program on Foreign-Economic Activity. More than RUB5 billion (about USD167 million) will be allocated from the federal budget in 2013-2018 for implementation of the Subprogram on Implementation of the Priority Areas of Foreign-Economic Activity in the Framework of International Economic Cooperation. Its activities include support of key multilateral infrastructure projects in the CIS including through technical cooperation, programs of intergovernmental cooperation and regional economic organizations and institutions.³⁵⁰⁴

However, no facts of Russia's actions to facilitate the mobilization of infrastructure financing in developing countries from other sources have been registered during the compliance period.

During the compliance period Russia has made investment in developing countries' infrastructure but no facts of Russia's actions to facilitate the mobilization of infrastructure financing in developing countries from other sources have been found. Thus, it has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on infrastructure investment.

Saudi Arabia has invested in developing countries' infrastructure.

In 2012, the Saudi Fund for Development (SFD) increased the total funds disbursed by 72% to SAR4.11 billion (USD15.42 billion)³⁵⁰⁵, from SAR2.39 billion (USD8.97 billion) in 2011.³⁵⁰⁶

³⁵⁰³ On Russia's contribution to the WFP, Russian Ministry of Foreign Affairs 15 January 2013. Date of Access: 24 January 2013.

http://www.mid.ru/brp_4.nsf/newslines/8D56332E3AFF527144257AF40037DD5D.

³⁵⁰⁴ State Program on Foreign-Economic Activity Adopted, Russian Ministry of Economic Development 22 March 2013. Date of Access: 24 January 2013.

http://www.economy.gov.ru/minec/activity/sections/foreigneconomicactivity/doc20130322_019.

³⁵⁰⁵ Annual Report 2012, The Saudi Fund for Development. Date of Access: 7 July 2013.

<http://www.sfd.gov.sa/cs/groups/public/documents/document/mdaw/mjuy/~edisp/121-37-3703-document-252051.pdf>.

³⁵⁰⁶ Annual Report 2011, The Saudi Fund for Development. Date of Access: 7 July 2013.

<http://www.sfd.gov.sa/cs/groups/public/documents/document/mdaw/mtyy/~edisp/121-document-162339.pdf>.

One of the basic objectives of SFD is to contribute to the financing of development projects including transportation and communication projects in developing countries through loans. During the period of monitoring in 2012 the fund signed 12 loan agreements for the following projects: Metolong dam (additional loan) and water supply for 5 towns in Lesotho, transmission line between Nouakchott and Nouadhibou in Mauritania, natural gas pipeline network in Tunisia, Upper Atbara and Stit dams in Sudan (additional loan), Rubengera-Gasiza road in Rwanda, irrigation and drainage pumping stations and drinking water supply in Nasr city district in Egypt, Tadjoura port in Djibouti, Thach Kim — Hien Hoa road and Xuan Phuoc-Phu Hai road in Vietnam, road network development in Sri Lanka.³⁵⁰⁷

In February 2013, SFD and Azerbaijan finalized the loan agreement to provide USD35 billion for reconstruction of water supply and sewerage of Khirdalan.³⁵⁰⁸

In May 2013, SFD extended additional financial support to the United Nations Development Programme (UNDP) in Pakistan which will enable the fund to provide additional USD1.3 million and increase its total contribution to USD6.7 million for community infrastructure restoration and rehabilitation in the crisis-affected areas of district Swat.³⁵⁰⁹

Saudi Arabia participates in the Islamic Development Bank (IDB), which aims to foster the economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of Islamic Law. Building infrastructure in its member states, which include not only developing, but also low-income countries, is a priority of IDB. Saudi Arabia accounts for the largest share of the IDB capital among its 56 members — 26.57%.³⁵¹⁰ In 2012, IDB approved USD2.6 billion to finance the development of electricity generation and transmission, water and sanitation, housing and transportation infrastructure.³⁵¹¹

Saudi Arabia also participates in the Arab Fund for Economic and Social Development (AFESD), whose objective is to contribute to the financing of economic and social development projects in the Arab countries. The fund provides finance both to governments and to the private sector. Saudi Arabia accounts for 23.99% of AFESD capital and is second after Kuwait, which accounts

³⁵⁰⁷ Annual Report 2012, The Saudi Fund for Development. Date of Access: 7 July 2013. <http://www.sfd.gov.sa/cs/groups/public/documents/document/mdaw/mjuy/~edisp/121-37-3703-document-252051.pdf>.

³⁵⁰⁸ Saudi Fund for Development to grant \$35 mln-loan to Azerbaijan, APA 20 February 2013. Date of Access: 7 July 2013. <http://en.apa.az/news/188234>.

³⁵⁰⁹ SFD assures assistance for KP's crisis-affected areas, Daily Times 18 May 2013. Date of Access: 7 July 2013. http://www.dailytimes.com.pk/default.asp?page=2013%5C05%5C18%5Cstory_18-5-2013_pg5_9.

³⁵¹⁰ Member countries, Islamic Development Bank. Date of Access: 7 July 2013. http://www.isdb.org/irj/servlet/prt/portal/prtpos/com!252esap!252eportall!252enavigation!252eportallauncher!252eanonymous!7b!3b2!7d/prttarget/pcd!253aportal_content!252fidb!252een!252eIDBEnglish!252fcom!252eidb!252eenglish!252eIDBApplications!252fcom!252eidb!252eenglish!252eFrameworkContents!252fcom!252eidb!252eenglish!252eDesktop_Rules!252fcom!252eidb!252eenglish!252eIDBEnglish!252fframeworkPages!252fIDBInternetEnLightFrame.com!252esap!252eportall!252elightinnerpage.com!252esap!252eportall!252elightcontentarea.content.com!252eidb!252eenglish!252eMembercountries/prteventname/HtmlbEvent/prtroot/com.sap.portal.navigation.portallauncher.anonymous.

³⁵¹¹ Annual Report 2012, Islamic Development Bank. Date of Access: 7 July 2013. http://www.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/English/IDB/CM/Publications/Annual_Reports/38th/AnnualReport38.pdf.

for 25.59%.³⁵¹² In 2012, AFESD financed a number of infrastructure projects in Sudan, Mauritania, Morocco, Djibouti and Bahrain.³⁵¹³ On 31 January 2013, AFESD signed the loan agreement to provide KWD7.0 million (USD1.95 million) for drinking water supply to Tetouan region project in Morocco. On 18 March 2013, AFESD signed the loan agreement to provide KWD30.0 million (USD8.38 million) for Upper Atbara and Steit complex dams (additional loan) in Sudan.³⁵¹⁴

Saudi Arabia has taken measures to facilitate the mobilization of infrastructure financing in the developing countries from other sources.

Saudi Arabia has been buying farmland in African countries to ensure its access to food supplies since only 1% of its land is suitable for agriculture. These farm deals have been encouraged by the government.³⁵¹⁵ Just before the beginning of the monitoring period, on 11 June 2012, Saudi investors had been given the go-ahead to invest in agriculture abroad as part of Saudi Arabia King Abdullah's initiative, which aims at realizing national and international food security.³⁵¹⁶ The initiative provides Saudi investors with credit as well as strategic and logistical support to invest in foreign farmland. Saudi investors should have the right to export at least 50 percent of their products to the Kingdom's markets.³⁵¹⁷

African infrastructure enjoys indirect benefit from these investments.³⁵¹⁸ For example, the Saudi Star company has been granted a 60-year concession on 10,000 hectares in the Gambella province in Ethiopia. Activities of the company in this province include investments in infrastructure, such as roads.³⁵¹⁹

During the compliance period Saudi Arabia has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

³⁵¹² The Agreement Establishing the Arab Fund for Economic and Social Development, Arab Fund for Economic and Social Development. Date of Access: 7 July 2013. [http://www.arabfund.org/Data/site1/pdf/Agreement%20Establishing%20\(new\).pdf](http://www.arabfund.org/Data/site1/pdf/Agreement%20Establishing%20(new).pdf).

³⁵¹³ List of All Projects, Arab Fund for Economic and Social Development. Date of Access: 7 July 2013. <http://www.arabfund.org/Default.aspx?pageId=446>.

³⁵¹⁴ Activities during 2013, Arab Fund for Economic and Social Development. Date of Access: 7 July 2013. <http://www.arabfund.org/Default.aspx?pageId=442>.

³⁵¹⁵ Saudi Arabia investing heavily in African farmland for food production, African Farming and Food Processing, 5 July 2012. Date of Access: 27 January 2013. <http://www.africanfarming.net/crops/agriculture/saudi-arabia-invests-in-african-farmland-for-food-production>.

³⁵¹⁶ Cabinet okays agro investments abroad, Saudi Gazette, 12 June 2012. Date of Access: 27 January 2013. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20120612126673>.

³⁵¹⁷ Gulf Boosting Investment in Africa, The Tripoli Post, 3 January 2013. Date of Access: 27 January 2013. <http://www.tripolipost.com/articledetail.asp?c=2&i=9705>.

³⁵¹⁸ What you should know about Saudi investment in African farmland, How we Made it in Africa, 4 July 2012. Date of Access: 27 January 2013. <http://www.howwemadeitinafrica.com/what-you-should-know-about-saudi-investment-in-african-farmland/17985/>.

³⁵¹⁹ Land acquisitions: Investment opportunity or hydro-colonialism? Consultancy Africa Intelligence, 16 July 2012. Date of Access: 27 January 2013. http://www.consultancyafrica.com/index.php?option=com_content&view=article&id=1069:land-acquisitions-investment-opportunity-or-hydro-colonialism-&catid=91:rights-in-focus&Itemid=296

South Africa: 0

South Africa has partially complied with the commitment on infrastructure investment.

South Africa has taken measures to facilitate the mobilization of infrastructure financing in developing countries from non-governmental sources.

South Africa participates in implementation of the Southern African Development Community (SADC) Regional Infrastructure Master Plan, which is aimed at ensuring “the expeditious implementation of the priority infrastructure projects” and was adopted in August 2012.³⁵²⁰ On 13 September 2012, SADC PPP Network Working Group took place in Johannesburg, South Africa.³⁵²¹

On 14 October 2012, South African Deputy Minister of Trade and Industry Elizabeth Thabethe led a delegation of about forty South African businesspeople, including from the infrastructure sector, to Zimbabwe in the framework of the Investment and Trade Initiative (ITI). The ITI is part of the Department of Trade and Industry’s Export and Investment Promotion Strategy that focuses “on targeted high growth markets with the objective of creating investment and export opportunities for South African companies and promoting South Africa as a trade and investment destination.”³⁵²²

South Africa together with Brazil and India supports different projects on infrastructure development in developing countries through the IBSA Facility for Poverty and Hunger Alleviation Fund. In December 2012, the project “Strengthening Infrastructure and Capacity to Combat HIV/AIDS” in Burundi, which provides for construction of the health centre and other facilities, was finished.³⁵²³

During the compliance period South Africa has taken actions to facilitate the mobilization of infrastructure financing in developing countries from other sources but no facts of South Africa’s investment in developing countries’ infrastructure have been found. Thus, it has been awarded a score of 0.

Analyst: Lyudmila Tarasenko

Turkey: +1

Turkey has fully complied with the commitment on infrastructure investment.

Turkey has invested in developing countries’ infrastructure.

On 19 October 2012, the Turkish Cooperation and Development Agency (TIKA) finished another stage of a social project carried out in autonomous region Vojvodina in Serbia. TIKA built 6 extra school classes for disabled children in Turzo Layoş primary school. The representatives of the

³⁵²⁰ Regional Infrastructure Development Master Plan Executive Summary August 2012. Date of Access: 24 January 2013. http://www.sadc-dfrc.org/assets/files/documents/executive_summary.pdf.

³⁵²¹ SADC Infrastructure Plan Ready, SADC DFRC. Date of Access: 24 January 2013. <http://www.sadc-dfrc.org/index.php?id=622>.

³⁵²² Deputy Minister Thabethe Arrives in Zimbabwe on Investment and Trade Mission 14 October 2012. Date of Access: 24 January 2013. <http://www.thedti.gov.za/editmedia.jsp?id=2533>.

³⁵²³ Project Portfolio Overview 2011 Annual Report, IBSA Trust Fund. <http://tcdc2.undp.org/ibsa/Upload/IBSARreport.pdf>.

agency said the country will continue working on infrastructural projects in the areas of education and health in Serbia.³⁵²⁴

On 15 November 2012, Turkish Minister of Foreign Affairs Ahmet Davutoğlu announced that in cooperation with Iran Turkish government will assist in reconstructing the Somalia parliament building in Mogadishu. Both countries are interested in improving infrastructure in Somalia. Turkey also plans to rebuild a road to the Mogadishu airport.³⁵²⁵

On 29 November 2012, TİKA opened a computer center in Cox's Bazar region in Bangladesh. The center is equipped with computers, printers, projectors, scanners, air-conditioners, desks and other necessary furniture. Computer courses in this center will be available for young people and will provide them with possibilities to find better jobs. In addition, 40 extra computers with access to the Internet were distributed to other schools in the region.³⁵²⁶

On 11 April 2013, the opening ceremony of the Deryahan Bridge was held in the Afghani province Sibirgan. Construction of this bridge was initiated by TİKA following floods caused by heavy rainfalls which destroyed the old bridge.³⁵²⁷

On 17 May 2013, TİKA announced the construction of five water wells in Ethiopia. The project is expected to be completed this year and will provide access to drinking water to about 4000 people.³⁵²⁸

Turkey has taken measures to facilitate the mobilization of infrastructure financing in the developing countries from other sources.

On 26 June 2012, the Ethiopian Railway Corporation (ERC) signed a USD1.7 billion deal with the Turkish company Yapi Merkezi Construction Industry Inc. In the framework of the project, the Turkish company will construct a 389-kilometer railway in Ethiopia. The projects will be co-financed by the Export and Import Bank (EXIM) of Turkey and Ethiopian government.³⁵²⁹

On 28-30 November 2012, the Turkish government co-organized the meeting of the 2012 Global Infrastructure Initiative. Politicians, mayors of major cities, representatives of companies and global institutions participated in this event. The main objective of the meeting was to seek

³⁵²⁴ TİKA, SIRBİSTAN'DA ENGELLİ DOSTU PROJE, Turkish Cooperation and Development Agency 19 October 2012. Date of Access: 31 January 2013. <http://www.tika.gov.tr/haber/sirbistanda-engelli-dostu-proje/396>

³⁵²⁵ Turkey and Iran pledge support to rebuild Somalia 15 November 2012. Date of Access: 4 February 2013. <http://www.hurriyetdailynews.com/turkey-and-iran-pledge-support-to-rebuild-somalia.aspx?pageID=238&nid=34677>.

³⁵²⁶ TİKA, TİKA'DAN BANGLADEŞLİLER İÇİN İKİ ÖNEMLİ PROJE, Turkish Cooperation and Development Agency 29 November 2012. Date of Access: 30 January 2013. <http://www.tika.gov.tr/haber/tikadan-bangladesliler-icin-iki-onemli-proje/425>.

³⁵²⁷ TİKA'DAN AFGANİSTAN'A İKİ BÜYÜK PROJE, Turkish Cooperation and Development Agency 11 April 2013. Date of Access: 4 July 2013. <http://www.tika.gov.tr/haber/tikadan-afganistana-iki-buyuk-proje/551>.

³⁵²⁸ TİKA'NIN ETİYOPYA'DA SU TEMİNİNE YÖNELİK PROJELERİNE YENİLERİ EKLENDİ, Turkish Cooperation and Development Agency 17 May 2013. Date of Access: 4 July 2013. <http://www.tika.gov.tr/haber/tikanin-etiyopyada-su-teminine-yonelik-projelerine-yenileri-eklendi/611>.

³⁵²⁹ \$1.7 bln railway project goes for Turkish company, Capital Ethiopia 4 July 2012. Date of Access: 6 February 2013. http://www.capitalethiopia.com/index.php?option=com_content&view=article&id=1298:17-bln-railway-project-goes-for-turkish-company-&catid=35:capital&Itemid=27.

solutions to the problems of infrastructure planning, operating, building and financing. The participants particularly focused on addressing these four issues in developing countries.³⁵³⁰

On 10 April 2013, TİKA announced that its Lebanon Water project, implemented in partnership with the North Lebanon Water Authority, was completed by 65%. The project was scheduled to be completed in May 2013 and expected to meet the clean water needs of 20 thousand people in 3 Lebanon municipalities.³⁵³¹

During the compliance period Turkey has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

The United Kingdom has fully complied with the commitment on infrastructure investment.

The UK has invested in developing countries' infrastructure.

On 5 September 2012, Minister of State for International Development of the UK Alan Duncan took part in a meeting of key donors in Saudi Arabia, where USD6.4 billion package of support for Yemen was agreed. The financial support will include among others infrastructural projects in the country. The UK will provide GBP196 million (USD130.7 million) in 2012-2015. Other donors include Saudi Arabia, the World Bank, the US and the EU.³⁵³²

On 13 November 2012, International Development Secretary of the UK Justine Greening pledged to promote mobile and internet technology and facilities in Africa and Asia to help 6 million of the world's poorest people to benefit from these technologies.³⁵³³

On 7 January 2013, the UK set out its goals on international development over the next two years and reaffirmed its commitment to spend 0.7% of the UK's national income on overseas aid by the end of 2013, including investments into water facilities for poor people.³⁵³⁴

The UK has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

³⁵³⁰ Many critics highlight the world's infrastructure challenges -- few deliver answers. GII is the first integrated, cross-stakeholder meeting to seek new infrastructure solutions, The 2012 Global Infrastructure Initiative. Date of Access: 3 February 2013. <http://www.gii2012.com/events/the-2012-global-infrastructure-initiative/event-summary-3771a61883f6428a933eb946278d387a.aspx>.

³⁵³¹ TİKA LÜBNAN'DA 20 BİN KİŞİNİN TEMİZ SU İHTİYACINI KARŞILAYACAK, Turkish Cooperation and Development Agency 10 April 2013. Date of Access: 4 July 2013. <http://www.tika.gov.tr/haber/tika-lubnanda-20-bin-kisinin-temiz-su-ihtiyacini-karsilayacak/548>.

³⁵³² Yemen: British-led Initiative Gives New Hope, Department of the International Development of the UK 5 September 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Yemen-British-led-initiative-gives-new-hope/>.

³⁵³³ Technology: UK to Help Millions through Mobiles & Internet, Department of the International Development of the UK 13 November 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Open-government-UK-to-help-millions-through-mobile-technology/>.

³⁵³⁴ Aid Commitments: Britain Sets out Pledges for UK Aid, Department of the International Development of the UK 7 January 2013. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2013/Aid-commitments-britain-sets-out-pledges-for-UK-aid/>.

On 3 October 2012, Justine Greening announced that the UK will improve the ability of the Government of Somalia to manage its public resources so that Somalis could benefit from better public services and facilities, including roads.³⁵³⁵

On 7 December 2012, Justine Greening announced a new 13-years project under which development experts, including those from the Department for International Development, will provide capital and advice to unlock new private investment in projects, including infrastructural ones, that help the poorest in Ethiopia, Zambia, Nigeria, Pakistan and Kenya to pull themselves out of poverty.³⁵³⁶

During the compliance period the UK has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on infrastructure investment.

The US has invested in developing countries' infrastructure.

In June 2012, the Millennium Challenge Corporation (MCC), which is an independent US government foreign aid agency, reinstated a USD350.7 million grant to revitalize Malawi's power sector. The project would fund rehabilitation, upgrades and modernization of power systems and provide technical assistance, thus improving the availability, reliability and quality of Malawi's power supply. 5 million Malawians are estimated to benefit from the project which aims to improve power systems and reduce energy costs.³⁵³⁷ In February 2013, the US government deployed 2 experts to Malawi to support the implementation of Millennium Challenge Corporation energy grant.³⁵³⁸

The US Agency for International Development (USAID), which has a dedicated Africa Infrastructure Program, has taken part in the development of infrastructure in poorest countries during the period under review. On 12 September 2012, the first paved highway in South Sudan was opened. This highway, which is the largest infrastructure project ever built in South Sudan, was constructed by USAID.³⁵³⁹

³⁵³⁵ Somalia: UK Support for New Government, Department of the International Development of the UK 3 October 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Somalia-UK-aid-to-improve-health-and-education-for-thousands/>.

³⁵³⁶ Business: UK Impact Investments to Boost Development, Department of the International Development of the UK 7 December 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Impact-investments-to-boost-development/>.

³⁵³⁷ MCC Chief Executive Officer Daniel W. Yohannes Travels to Malawi After Reinstatement of \$350 Million Compact Grant, USAID 12 July 2012. Date of Access: 23 January 2013. <http://www.mcc.gov/pages/press/release/release-071212-malawi>.

³⁵³⁸ Arrival of Millennium Challenge Corporation Resident Country Staff to Malawi, Embassy of the United States in Lilongwe, Malawi 6 February 2013. Date of Access: 4 July 2013. <http://lilongwe.usembassy.gov/pressreleases5/arrival-of-mcc-staff.html>.

³⁵³⁹ First Paved Highway in South Sudan Constructed by USAID, Officially Opened, USAID 13 September 2012. Date of Access: 23 January 2013. <http://www.usaid.gov/news-information/press-releases/first-paved-highway-south-sudan-constructed-usaid-officially-opened>.

On 20 June 2013, USAID launched the 5-year USD88 million Feed the Future North (FTFN) project to increase economic growth in promising agricultural areas in northern Haiti. In the framework of this project roads in some of the most fertile but inaccessible farming areas of Haiti will be improved.³⁵⁴⁰

The United States has taken measures to facilitate the mobilization of infrastructure financing in the developing countries from other sources.

On 10 October 2012, the US Assistant Secretary on African Affairs, Ambassador Johnnie Carso promised that the US would encourage its investors to invest in infrastructure and other non-oil sectors of Nigeria more than before.³⁵⁴¹ On 14 December 2012, US Ambassador to Nigeria Terrence McCulley called on US companies to invest in Nigeria.³⁵⁴²

These promises and appeals found a response among business. On 21 January 2013, the Managing Director of the US company Star Building Systems Joel Edge said his firm was interested to invest in Nigerian infrastructure.³⁵⁴³ On 31 January 2013, General Electric (GE) and Transnational Corporation of Nigeria Plc (Transcorp) signed a framework agreement to collaborate in Nigerian infrastructure sector, with emphasis on the power and transportation. The collaboration comprises technical support and equity investment in the Transcorp's power plant. Other areas of collaboration include projects in the transport sector, specifically in the area of rail.³⁵⁴⁴ In February 2013, General Electric announced its intention to invest USD1 billion in Nigerian power infrastructure sector by building a manufacturing plant to support power generation and oil production.³⁵⁴⁵ On 21 June 2013, General Electric, the Nigeria Sovereign Investment Authority (NSIA) and the managers of the Sovereign Wealth Fund (SWF) signed a Memorandum of Understanding (MOU) to finance, develop and operate infrastructure projects in the following industries of Nigeria: healthcare, aviation, transportation and power.³⁵⁴⁶

On 31 January 2013, the US Secretary of State Hillary Clinton announced up to USD86,5 million in new public-private partnership commitments to support a range of activities including access to affordable internet in low-income communities across the world. For this purpose the Alliance for Affordable Internet was announced, which would promote affordable access to the Internet by

³⁵⁴⁰ USAID Launches \$88 Million Farming Project in Northern Haiti, Feed the Future 21 June 2013. Date of Access: 4 July 2013. <http://www.feedthefuture.gov/country/haiti>.

³⁵⁴¹ US Pledges Supports To Nigeria On Infrastructural Development, Leadership 10 October 2012. Date of Access: 5 February 2013. <http://leadership.ng/nga/articles/37112/2012/10/10/us-pledges-supports-nigeria-infrastructural-development.html>.

³⁵⁴² US to Create Jobs in Nigeria's Maritime Sector, Embassy of the Federal Republic of Nigeria to US 14 December 2012. Date of Access: 23 January 2013. <http://www.nigeriaembassyusa.org/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=168&cntnt01origid=15&cntnt01detailtemplate=nigeriadet&cntnt01returnid=108>.

³⁵⁴³ US Investor Eyes Nigeria's Infrastructure Devt Sector, This Day Live 21 January 2013. Date of Access: 23 January 2013. <http://www.thisdaylive.com/articles/us-investor-eyes-nigeria-s-infrastructure-devt-sector/136988/>.

³⁵⁴⁴ Transcorp, GE sign agreement on infrastructure, Vanguard 31 January 2013. Date of Access: 5 February 2013. <http://www.vanguardngr.com/2013/01/transcorp-ge-sign-agreement-on-infrastructure/>.

³⁵⁴⁵ General Electric Plans \$1 Billion Investment in Nigerian Power, Bloomberg 31 January 2013. Date of Access: 5 February 2013. <http://www.bloomberg.com/news/2013-01-31/general-electric-plans-1-billion-investment-in-nigerian-power.html>.

³⁵⁴⁶ US firm to finance infrastructure projects in Nigeria, Star Africa 22 June 2013. Date of Access: 4 July 2013. <http://en.starafrica.com/news/us-firm-to-finance-infrastructure-projects-in-nigeria.html>.

working with governments, regulators and private sector partners.³⁵⁴⁷ Primary focus of the Alliance would be reaching the UN Broadband Commission Broadband Target of entry-level broadband services priced at less than 5% of average monthly income. This would enable “the next two billion users to come online (with a particular focus on low-income countries) and raise Internet penetration rates to least 40% in all countries.”³⁵⁴⁸

On 22 March 2013, MCC announced a partnership with The Coca-Cola Africa Foundation (TCCAF) aimed at expanding access to clean water and sanitation in Cape Verde — a country which extremely lacks fresh water. This project comprises not only investments in access to clean water but also implementing crucial water sector reforms in Cape Verde.³⁵⁴⁹

During the compliance period the United States has invested in developing countries’ infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

European Union: +1

The European Union has fully complied with the commitment on infrastructure investment.

The EU has invested in developing countries’ infrastructure.

On 3 August 2012, the European Union has approved a project that will help the government of Kenya to build and rehabilitate over 4,000 km of rural roads.³⁵⁵⁰

On 20 September 2012, the European Commission approved funding of EUR10 million (USD13 million) to support Egypt’s water supply and sanitation infrastructure.³⁵⁵¹

On 29 November 2012, the European Commission pledged to provide EUR67.3 million (USD87.5 million) in support to Mozambique to reduce hunger and chronic malnutrition in the country including investments in infrastructure, such as rural roads, information systems and electricity systems.³⁵⁵²

On 18 December 2012, the European Commission launched a programme with a total budget of EUR27 million (USD35.1 million) aimed at renovation of water infrastructure in Côte d’Ivoire.

³⁵⁴⁷ Secretary Clinton Announces Up to \$86.5 Million in New Public-Private Partnerships, US Department of State 31 January 2013. Date of Access: 3 February 2013.

<http://www.state.gov/r/pa/prs/ps/2013/01/203614.htm>.

³⁵⁴⁸ Announcements, Alliance for Affordable Internet. Date of Access: 5 February 2013. <http://a4ai.org/>.

³⁵⁴⁹ MCC Partners With The Coca-Cola Africa Foundation to Expand Access to Clean Water, Millenium Challenge Corporation 22 March 2013. Date of Access: 4 July 2013.

<http://www.mcc.gov/pages/press/release/release-03222013-mcc-partners-with>.

³⁵⁵⁰ New EU Funding to Improve Transport Infrastructure and Cross-Border Trade in Kenya, European Commission 3 August 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-882_en.htm.

³⁵⁵¹ European Union Support for Improving Access to Clean Water and Sanitation in Egypt, European Commission 20 September 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-994_en.htm.

³⁵⁵² New EU Support for Mozambique to Fight Hunger and Chronic Malnutrition, European Commission 29 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1285_en.htm.

The EU will also organize training sessions to ensure better maintenance and management of the infrastructure in the long term.³⁵⁵³

On 21 December 2012, the European Union and the Republic of Guinea signed an agreement for cooperation. In the framework of the agreement, the 10th European Development Fund will provide EUR174.3 million (USD226.6 million) for Guinea development, including infrastructural projects such as roads, and water and sanitation facilities construction.³⁵⁵⁴

On 20 February 2013, EU Commissioner for Development Andris Piebalgs announced a EUR50 million project to provide access to sustainable energy in Burundi. The new initiative will include rural electrification, small and medium hydro projects and other measures related to energy infrastructure.³⁵⁵⁵

On 6 June 2013, the European Commission announced that it will invest EUR81 million in the improvement of an international transport corridor linking Malawi to Mozambique's ports.³⁵⁵⁶

On 18 June 2013, European Commissioner for Development during his visit to Zambia signed three contracts for the rehabilitation of the great East Road — one of the main roads in Zambia, and a link between Malawi and Mozambique, providing for a total funding of EUR118 million.³⁵⁵⁷

The EU has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources.

On 21 September 2012, the European Investment Bank provided a loan of EUR10.3 million (USD13.4 million) to the Municipality of Chisinau, Moldova's capital, to upgrade the city's urban infrastructure. The project will be co-financed by the European Bank for Reconstruction and Development, technical assistance funds and the Municipality of Chisinau.³⁵⁵⁸

On 13 December 2012, the European Union has approved EUR33 million (USD43 million) programme for Tunisia co-funded with the Agence Française de Développement and the

³⁵⁵³ Côte d'Ivoire: New European Programme to Give One Million People Improved Access to Water and Sanitation, European Commission 18 December 2012. Date of Access: 5 February 2013.

http://europa.eu/rapid/press-release_IP-12-1365_en.htm.

³⁵⁵⁴ The European Union Resumes Development Cooperation with Guinea, European Commission 21 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1401_en.htm.

³⁵⁵⁵ Commissioner Piebalgs to Launch New Food Security and Energy Projects During His Visit to Burundi, European Commission 20 February 2013. Date of Access: 5 July 2013.

http://europa.eu/rapid/press-release_IP-13-130_en.htm

³⁵⁵⁶ EU Supports Mozambique's Path to Development, European Commission 6 June 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-508_en.htm

³⁵⁵⁷ EU Signs New Agreement to Boost Agriculture and Promotes Access to Energy in Zambia, European Commission 18 June 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-550_en.htm

³⁵⁵⁸ EIB Supports Development of Urban Infrastructure in Moldova's Capital, European Commission 21 September 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_BEI-12-125_en.htm.

European Investment Bank. One of the directions of financing will be road network construction in Tunisia.³⁵⁵⁹

On 6 June 2013, the European Commission announced that it will invest EUR9 million in providing access to clean water and sanitation for about 50,000 new users in Mozambique, while the Government of Mozambique and UNICEF will each provide EUR1 million as co-financing.³⁵⁶⁰

During the compliance period EU has invested in developing countries' infrastructure and has taken measures to facilitate the mobilization of infrastructure financing in developing countries from other sources. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

³⁵⁵⁹ The European Union is Increasing its Support to Tunisia's Disadvantaged Neighbourhoods, European Commission 13 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1369_en.htm.

³⁵⁶⁰ EU Supports Mozambique's Path to Development, European Commission 6 June 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-508_en.htm

16. Development: Social Protection Floors

Commitment [#40]

“We will continue to foster inter-agency and international policy coherence, coordination, cooperation and knowledge sharing to assist low-income countries in capacity building for implementing nationally determined social protection floors.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada			+1
China		0	
France			+1
Germany			+1
India		0	
Indonesia			+1
Italy		0	
Japan			+1
Korea			+1
Mexico		0	
Russia			+1
Saudi Arabia			+1
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.70	

Background

In the Seoul Multi-Year Action Plan on Development the G20 singled out social protection systems as one of the foundations of resilient growth, as it plays “an important role in providing income security for poor communities, ... providing buffers ... from the impact of external shocks and contributing to the maintenance and enhancement of aggregate demand.”³⁵⁶¹

On 27 September 2011, the G20 Labour and Employment Ministers held a meeting where they deliberated on the documents submitted by several international institutions on social protection floors. In particular, they welcomed the conclusions on social protection adopted by the International Labour Conference on 17 June 2011³⁵⁶² and took note of the recommendations of

³⁵⁶¹ Annex II: Multi-Year Action Plan on Development, G20 Information Center. Date of Access: 27 November 2012. <http://www.g20.utoronto.ca/2010/g20seoul-development.html>.

³⁵⁶² Report VI, Social security for social justice and a fair globalization, International Labour Conference, 100th Session, Geneva, 2011. Date of Access: 27 November 2012. <http://www.ilo.org/gimi/gess/RessFileDownload.do?ressourceId=21960>

the Social Protection Floor Advisory Group chaired by Michelle Bachelet.³⁵⁶³ The ministers welcomed the work done within the framework of the G20 Development Working Group.³⁵⁶⁴ They took note of the Brasilia declaration on the Social Protection Floor adopted on 10 May 2011.³⁵⁶⁵ They recognized the importance of taking account of the International Labour Organization (ILO) convention 102 (Social Security, Minimum standards).³⁵⁶⁶

Drawing on these documents ministers agreed on several recommendations: to develop nationally defined social protection floors with a view to achieving strong, sustainable and balanced economic growth and social cohesion; to encourage international organizations to coordinate their actions more effectively to help countries develop nationally determined social protection floors; and to ensure effective financing for the implementation of nationally determined social protection floors.³⁵⁶⁷

At the Cannes Summit the commitment on social protection was strengthened by a more concrete pledge. The G20 leaders clarified that they would support developing, especially low income countries (LICs), in “the implementation and expansion of nationally-designed social protection floors” (see Table 15-1).³⁵⁶⁸

Table 15-1 List of Low-Income Countries³⁵⁶⁹

Afghanistan	Gambia, The	Mozambique
Bangladesh	Guinea	Myanmar
Benin	Guinea-Bissau	Nepal
Burkina Faso	Haiti	Niger
Burundi	Kenya	Rwanda
Cambodia	Korea, Dem Rep.	Sierra Leone
Central African Republic	Kyrgyz Republic	Somalia
Chad	Liberia	Tajikistan
Comoros	Madagascar	Tanzania
Congo, Dem. Rep	Malawi	Togo
Eritrea	Mali	Uganda
Ethiopia	Mauritania	Zimbabwe

³⁵⁶³ Social Protection Floor for a Fair and Inclusive Globalization . Date of Access: 27 November 2012.

http://www.ilo.org/public/english/protection/spfag/download/background/bachrep_en.pdf

³⁵⁶⁴ 2011 Report of the Development Working Group, October 28, 2011. Date of Access: 27 November 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-dwg-111028-en.pdf>

³⁵⁶⁵ G20 Consultation Meeting Argentina-Brazil-France-Mexico.Declaration of Brasilia on the Social Protection Floor. Date of Access: 27 November 2012.

<http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceId=23162>

³⁵⁶⁶ The ILO Social Security (Minimum Standards) Convention, 1952 (No. 102). Date of Access: 27 November 2012. <http://www.ilo.org/public/english/protection/secsoc/areas/legal/conv102.htm>

³⁵⁶⁷ G20 Labour and Employment Ministers' Conclusions. Paris, September 27, 2011. Date of Access: 27 November 2012. <http://www.g20.utoronto.ca/2011/2011-labour-110927-en.html>.

³⁵⁶⁸ Communiqué: G20 Leaders Summit, 4 November 2011. <http://www.g20.utoronto.ca/2011/2011-cannes-communique-111104-en.html>.

³⁵⁶⁹ Country and Lending Groups. Low-income economies (\$1,025 or less), World Bank.

http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low_income.

Commitment Features

The ILO Global Jobs Pact specifies the following components of a basic social protection floor: “access to health care, income security for the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for the unemployed and working poor.”³⁵⁷⁰

International Labor Conference in June 2011 refined the concept of social protection floor and agreed on the following definition, “... social protection floors, containing basic social security guarantees that ensure that over the life cycle all in need can afford and have access to essential health care and have income security at least at a nationally defined minimum level. Social protection floor policies should aim at facilitating effective access to essential goods and services, promote productive economic activity and be implemented in close coordination with other policies enhancing employability, reducing informality and precariousness, creating decent jobs and promoting entrepreneurship.”³⁵⁷¹

The report of the Social Protection Floor Advisory Group recommends the traditional and emerging donors to “agree on triangular cooperation mechanisms to enable the building of social protection systems in partner low-income countries,” emphasizing that “these mechanisms could create a division of labor in which traditional donors could provide predictable multi-year funding through direct budgetary support to expand affordability of social programs, while emerging donors could continue focusing on knowledge sharing and capacity building based on their own development experiences.”³⁵⁷²

The Social Protection Floor Report also welcomed the G20 commitment to “promote exchange of information, experiences and knowledge through the development of a knowledge-sharing platform, which would include both specific cases of successful experiences and technologies that could be transferred among countries” and recommended that “the G20 elaborate an action plan to implement its conclusions and put in place effective mechanisms, in coordination with international organizations, to monitor and report on the progress towards extending social protection coverage.”³⁵⁷³

In 2012 the G20 Development Working Group report mentioned several ways of supporting the implementation or expansion of national social protection floors in LICs: coordinated North-South, South-South and Triangular cooperation, and efforts of international organizations.³⁵⁷⁴ Thus, the implementation of this commitment can be pursued through national actions on a bilateral basis and actions through and in partnership with international institution (World Bank, UNDP, ILO and others). For full compliance the G20 member must take actions to assist LICs in

³⁵⁷⁰ Recovering from the crisis: A Global Jobs Pact. June 2009. Date of Access: 28 February 2012. http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_108456.pdf.

³⁵⁷¹ Sixth item on the agenda: A recurrent discussion on the strategic objective of social protection (social security) under the follow-up to the 2008 ILO Declaration on Social Justice for a Fair Globalization. June 2011. Date of Access: 28 February 2012. http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_157820.pdf.

³⁵⁷² Social Protection Floor for a Fair and Inclusive Globalization . Date of Access: 28 February 2012. http://www.ilo.org/public/english/protection/spfag/download/background/bachrep_en.pdf

³⁵⁷³ Social Protection Floor for a Fair and Inclusive Globalization . Date of Access: 28 February 2012. http://www.ilo.org/public/english/protection/spfag/download/background/bachrep_en.pdf

³⁵⁷⁴ <http://www.g20.utoronto.ca/2012/2012-0619-dwg.html>.

capacity building for implementing nationally determined social protection floors both bilaterally and multilaterally.

The commitment directly mentions that the G20 members will assist LICs in capacity building. Thus, only actions aimed at assisting LICs will be registered as compliance.

Scoring Guidelines

-1	Member does not take actions to assist LICs in capacity building for implementing nationally determined social protection floors
0	Member takes actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally OR multilaterally
+1	Member takes actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally AND multilaterally

Lead Analyst: Mark Rakhmangulov

Argentina: 0

Argentina has partially complied with the commitment on social protection floors.

Argentina has taken actions to promote the creation of nationally designed social protection floors bilaterally.

On 15-23 October 2012, the representatives of Mozambique’s Ministry of Science and Technologies visited Buenos Aires within the project “Science and Technology: Training in Research and Development” aimed to promote the exchange and transfer of scientific knowledge and technology, while educating and training human resources in research and development.³⁵⁷⁵

On 29-31 May 2013, Argentina participated in a technical workshop on Integrating Social Policies and the Delivery of Social Protection Floors (SPFs) in Siem Reap, Cambodia. The workshop was focused on “improving coordination among policies and schemes at the cross-ministerial, national and regional levels; designing integrated packages of services and transfers; linking employment and social protection.” The delegations from more than 100 countries, including Argentina, were invited “to share their experiences in the development of coherent national social protection strategies.”³⁵⁷⁶

On 5 June 2013, Argentinian representatives of the General Directorate of International Cooperation (DGCIN), Ministry of Foreign Affairs had a diplomatic mission to Senegal, Costa de Marfil and Cameroon for strengthening South-South relationships, particularly in teaching Spanish for foreigners in the West African countries. The members of the Argentinian delegation discussed with the Cameroon colleagues the experience exchange in employment and professional training policy.³⁵⁷⁷

³⁵⁷⁵ Mozambique: Capacitación en investigación y desarrollo, Ministry of Foreign Affairs and Worship of Argentina 28 November 2012. Date of Access: 6 July 2013. <http://www.mrecic.gov.ar/es/mozambique-capacitacion-en-investigacion-y-desarrollo>.

³⁵⁷⁶ ILO-Royal Government of Cambodia technical workshop on "Integrating Social Policies and the Delivery of Social Protection Floors", Global Extension of Social Security (GESS) 21 May 2013. Date of Access: 6 July 2013. <http://www.socialsecurityextension.org/gimi/gess/ShowNews.do?nid=15429>.

³⁵⁷⁷ Argentina identifies new possibilities of Cooperation in West Africa, Fondo Argentino de Cooperacion Sur-Sur y Triangular 5 June 2013. Date of Access : 6 July 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=191>.

During the compliance period Argentina has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally. Thus, it has been awarded a score of 0.

Analyst: Elizaveta Safonkina

Australia: +1

Australia has fully complied with the commitment on social protection floors.

Australia has taken actions to promote the creation of nationally designed social protection floors unilaterally.

In June 2012, the AusAID published the “AusAID Social Protection Framework” policy document. Social protection is one of the 10 key development objectives of the Australian aid policy. The document states that Australian aid in the sphere of social protection has three major pillars: improving food and nutrition security, reducing financial barriers to accessing and completing basic education, and reducing financial barriers to accessing health services to improve health outcomes. According to the document “Australia aims to contribute to the shared development goals of reducing poverty across generations and social inequality for women, men, girls, and boys” by providing “support for social protection to governments in low and middle income countries, including fragile states.”³⁵⁷⁸

On 17 July 2012, Australia provided USD45 million to support the efforts to strengthen national health programs in Ethiopia. This was part of the five-year USD140 million Australia–Africa Maternal and Child Health Initiative in Eastern Africa.³⁵⁷⁹

At high-level consultations held in Dhaka on 8-12 April 2013, Australia and Bangladesh signed a Statement of Commitment on development cooperation. The agreement commits both governments, inter alia, to delivering a program of development cooperation by extending social services to the poor (particularly in health and education) and providing economic opportunities.³⁵⁸⁰

On 14 May 2013, the Australian Government announced Australia’s International Development Assistance Program for 2013–14, and one of its strategic priorities is improving the quality of health services. Over the next years Australia will work with the governments of Cambodia, Myanmar, Bangladesh, Nepal and Eastern African countries (among them are the following LICs: Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda, and Zimbabwe) to help these countries strengthen health systems, midwifery training and provide affordable access to healthcare.³⁵⁸¹

³⁵⁷⁸ AusAID Social Protection Framework, AusAID 7 August 2012. Date of Access: 28 March 2013. <http://www.usaid.gov/Publications/Pages/social-protection-framework.aspx>.

³⁵⁷⁹ Improvements to child and maternal health in Ethiopia, Australian Government AusAID 17 July 2012. Date of access: 17 October 2012. <http://www.usaid.gov/HotTopics/Pages/Display.aspx?QID=740>.

³⁵⁸⁰ Australia–Bangladesh high-level consultations, AusAID 12 April 2013. Date of Access: 13 July 2013. <http://www.usaid.gov/HotTopics/Pages/Display.aspx?QID=1093>

³⁵⁸¹ Australia’s International Development Assistance Program 2013–14 – Country and regional programs, AusAID 14 May 2013. Date of access: 14 July 2013. <http://www.usaid.gov/Publications/web/australias-international-development-assistance-program-2013-14/Pages/country-and-regional-programs.aspx>

Australia has taken actions to promote the creation of nationally designed social protection floors multilaterally.

On 30 January 2013, Australian Foreign Minister Bob Carr and United Kingdom State Secretary for International Development Justine Greening, announced that Australia and the UK would work together to provide better access to education for the children in Myanmar. The two countries announced the creation of Myanmar Education Consortium, which will provide support and funding to the non-government education sector — in particular monastic schools — to increase access to education and teachers' training. AusAID provides funding of USD15 million to the consortium.³⁵⁸²

AusAID participates in the UN Partnership to Promote the Rights of Persons with Disabilities Multi-Donor Trust Fund (UNPRPD MDTF). The UNPRPD MDTF is a partnership to promote the civil, cultural, economic, political and social rights of persons with disabilities in line with the Convention on the Rights of Persons with Disabilities (CRPD). The fund operates mainly in developing countries, such as Costa Rica, Fiji, Togo, Viet Nam etc. In 2012-2013 AusAID allocated USD4.182 million to the trust fund.³⁵⁸³

In 2013-14 Australia has committed to provide up to USD198.8 million to World Bank (through the International Development Association), up to AUD101.1 million to Asian Development Bank (through the Asian Development Fund), AUD38.3 million to United Nations Children's Fund, AUD23.4 million to World Health Organization and AUD18.2 million to United Nations Population Fund, along with financing several specialised sectoral funds, to develop and improve health and educational systems in developing and less developed countries.³⁵⁸⁴

During the compliance period Australia has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analysts: Andrei Sakharov and Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment on social protection floors.

In July 2012, Brazil launched a series of exchanges of experience between Brazil and five African countries (Ethiopia, Malawi, Mozambique, Niger and Senegal) on Africa Food Purchase Program in Brasilia. The program seeks, inter alia, to promote access to food for people in insecure food supply situations and foster social and economic inclusion in the countryside through strengthened family farming. It is planned that each country will develop a project based on the Brazilian experience. The program is developed in partnership with the Food and Agriculture

³⁵⁸² Education for the poorest children in Myanmar, AusAID 30 January 2013. Date of Access: 29 March 2013. <http://www.usaid.gov/HotTopics/Pages/Display.aspx?QID=1016>.

³⁵⁸³ UN Partnership to promote the Rights of Persons with Disabilities Multi-Donor Trust Fund (UNPRPD MDTF), United Nations Development Group. Date of Access: 28 March 2013. http://mptf.undp.org/factsheet/fund/RPD00?fund_status_month_to=&fund_status_year_to=2013.

³⁵⁸⁴ Australia's International Development Assistance Program 2013-14 – Global programs, AusAID 14 May 2013. Date of access: 14 July 2013. <http://www.usaid.gov/Publications/web/australias-international-development-assistance-program-2013-14/Pages/global-programs.aspx>

Organization (FAO) and the World Food Program (WFP) and will receive investment of USD2 million.³⁵⁸⁵

In July 2012, Brazil signed an agreement with FAO to establish an office in Foz de Iguazu (Brazil) to study potential projects for exchange between South American and African countries. The cooperation focuses on food security, family farming, aquaculture, forest management, renewable energies and sustainable development. Brazilian best practices, such as Cultivating Good Water, will be systematized and made available to the countries that wish to replicate these projects. According to the program coordinator, Angola, Mozambique and Mercosur countries have already expressed their interest in the project. The projects will be implemented through bilateral technical cooperation and Brazilian Agency for Cooperation pledged USD600,000 of investment over 3-year period.³⁵⁸⁶

Brazil supported and financed the construction of a factory to produce antiretroviral drugs for AIDS treatment in Mozambique which was completed in July 2012. This factory is expected to be able to supply all sub-Saharan Africa in two years. The total investment in the project and construction was estimated at about BRL200 million (about USD100 million) with half of that contributed by the Brazilian government.³⁵⁸⁷

On 22 July 2012, Brazil inaugurated a cooperation centre for business and technical activities in Haiti. The centre is established in the framework of an agreement signed by the governments of Brazil, Cuba and Haiti, or the Haiti Project, to strengthen the Haitian health system.³⁵⁸⁸ On 23 November 2012, Brazil launched surveillance laboratory in Haiti to monitor the water quality, environmental factors and health conditions. Brazil invested BRL1.3 million (about USD0.65 million) in the construction of two laboratories in Haiti to strengthen the country's health system.³⁵⁸⁹ In May 2013, Brazil offered Haiti help to train its engineers in order to qualify them to contribute to the development of the country and assist in strengthening conditions for socioeconomic development. The offer was well received by Haiti and details are now being discussed.³⁵⁹⁰

In September 2012, the Brazilian government in collaboration with the FAO held seminars on Social Policies and Hunger and Poverty Eradication Policies in Morocco and Tunisia as part of its

³⁵⁸⁵ Experience in the Food Purchase Program goes to five African countries // The official website of the Government of Brazil. 04.07.2012. URL: <http://www.brasil.gov.br/news/history/2012/07/04/experience-in-the-food-purchase-program-goes-to-five-african-countries> (date of access: 05.02.2013).

³⁵⁸⁶ FAO: US\$ 600,000 for cooperation // the Brazil-Arab News Agency. 29.07.2012. URL: http://www2.anba.com.br/noticia_diplomacia.kmf?cod=16624358&indice=80 (date of access: 07.02.2013).

³⁵⁸⁷ Brazil will open in Africa a medicine factory for AIDS treatment // The official website of the Government of Brazil. 18.07.2012. URL: <http://www.brasil.gov.br/news/history/2012/07/18/brazil-will-open-in-africa-a-medicine-factory-for-aids-treatment> (date of access: 07.02.2013).

³⁵⁸⁸ Brazil opens Cooperation Center in Haiti // The official website of the Government of Brazil. 23.07.2012. URL: <http://www.brasil.gov.br/news/history/2012/07/23/brazil-opens-cooperation-center-in-haiti> (date of access: 04.02.2013).

³⁵⁸⁹ Brazil inaugurates surveillance laboratory in Haiti // The official website of the Government of Brazil. 23.11.2012. URL: <http://www.brasil.gov.br/news/history/2012/11/23/brazil-inaugurates-surveillance-laboratory-in-haiti> (date of access: 04.02.2013).

³⁵⁹⁰ Brazil to help Haiti train new engineers // The official website of the Government of Brazil. 22.05.2013. URL: <http://www.brasil.gov.br/news/history/2013/05/22/brazil-to-help-haiti-train-new-engineers> (date of access: 10.07.2013).

multilateral development cooperation. The initiative is aimed at sharing best practice and developing experts exchange between Brazil and African countries.³⁵⁹¹

In December 2012, Brazil presented its experience in implementing the Food Acquisition Program to Pakistan representatives during a seminar on Public Policy to Combat Hunger and Extreme Poverty held by FAO. Brazilian experience may be used by the Pakistani government to strengthen its national food security.³⁵⁹²

In February 2013, Brazil signed cooperative agreement with Nigeria and partnerships were established in the areas of energy production and agriculture. Brazil will also exchange its experience and best practice in food security and combating poverty.³⁵⁹³

In March 2013, Brazil signed an agreement with the World Bank to host Knowledge and Innovation Initiative for Poverty Reduction. The key objective of the initiative is to share best practice and replicate internationally successful public policies and social technologies for combating poverty.³⁵⁹⁴ During the compliance period Brazil has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with the commitment on social protection floors.

Canada has taken actions to promote the creation of nationally designed social protection floors unilaterally.

On 20 September 2012, Canada's Prime Minister Stephen Harper announced three new projects aimed at improving healthcare for mothers and children in Tanzania. The projects will strengthen Tanzanian efforts aimed at supporting improvements in infrastructure, equipment and training related to prenatal, delivery and postnatal care by providing greater access to upgraded health centers, training healthcare workers and providing greater access to family planning and vaccinations.³⁵⁹⁵

On 4 October 2012, Stephen Harper announced six new development initiatives in Tanzania. Some of the initiatives will help provide Tanzanians with access to the health services and care;

³⁵⁹¹ Brazil to present social policies to Arabs // the Brazil-Arab News Agency. 02.09.2012. URL: http://www2.anba.com.br/noticia_diplomacia.kmf?cod=18815854&indice=70 (date of access: 12.02.2013).

³⁵⁹² Pakistan may implement a family agriculture incentive program similar to the Brazilian program // The official website of the Government of Brazil. 12.12.2012. URL: <http://www.brasil.gov.br/news/history/2012/12/12/pakistan-may-implement-a-family-agriculture-incentive-program-similar-to-the-brazilian-program> (date of access: 09.02.2013).

³⁵⁹³ Brazil establishes partnerships with Nigeria in energy and agriculture // The official website of the Government of Brazil. 26.02.2013. URL: <http://www.brasil.gov.br/news/history/2013/02/26/brazil-establishes-partnerships-with-nigeria-in-energy-and-agriculture> (date of access: 08.07.2013).

³⁵⁹⁴ Brazil to host global initiative to combat poverty // The official website of the Government of Brazil. 06.03.2013. URL: <http://www.brasil.gov.br/news/history/2013/03/06/brazil-to-host-global-initiative-to-combat-poverty> (date of access: 09.07.2013).

³⁵⁹⁵ PM announces support for maternal, newborn and child health in Tanzania, Prime Minister of Canada 20 September 2012. Date of Access: 7 February 2013. <http://www.pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=4347>.

while promoting greater transparency, accountability and good governance in the public and private sectors.³⁵⁹⁶

Canada took actions to promote the creation of nationally designed social protection floors multilaterally.

On 17 September 2012, Canada's Ambassador to Afghanistan Glenn Davidson attended Polio Campaign Inauguration Ceremony in Kabul. Canada is the largest donor to the Global Polio Eradication Initiative in Afghanistan with investments totaling USD96 million in the period from 2008 to 2014. Through the Polio Eradication project, Canada partners with UNICEF and WHO to insure that more than seven million children across Afghanistan receive polio vaccinations.³⁵⁹⁷

During the compliance period Canada has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

China: 0

China has partially complied with the commitment on social protection floors.

China has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally.

On 1 September 2012, the Government of China offered health equipment and drugs worth USD214,000 to Malian Hospital, which was built with support of Chinese aid.³⁵⁹⁸

On 20 September 2012, Government of China donated 100 new ambulances to Afghanistan's Public Health Ministry, which worth is USD4 million. China also plans to provide trainings Afghans about maintaining and repairing these ambulances.³⁵⁹⁹

On 24 September 2012, Government of China donated 20 computers and 1000 paper publications and videos and 100,000 digital publications at the opening ceremony of China Library at the Tanzania's National Central Library, thus contributing to developing education system of this country.³⁶⁰⁰

³⁵⁹⁶ PM announces development initiatives in Tanzania, Prime Minister of Canada 4 October 2012. Date of Access: 7 February 2013.

<http://www.pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=5069>.

³⁵⁹⁷ Canada's Ambassador to Afghanistan attends Polio Campaign Inauguration and Inoculates Afghan Children, Flickr 18 September 2012. Date of Access: 7 February 2013.

<http://www.flickr.com/photos/camafghanistancam/8000486900/>.

³⁵⁹⁸ China donates drugs, equipment to hospital in Malian capital Bamako, Xinhua News agency 1 September 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-09/01/c_131821766.htm

³⁵⁹⁹ China donates 100 ambulances to Afghanistan, China Weihai International Government Architectural Media Center 20 September 2012. Date of Access: 11 February 2013.

<http://whacmc.gov.cn/eList.asp?ID=5470>

³⁶⁰⁰ China Library opens at Tanzania's National Central Library, the Ministry of Foreign Affairs of the People's Republic of China 24 September 2012. Date of Access: 11 February 2013.

<http://wcm.fmprc.gov.cn/pub/zflt/eng/zxxx/t973065.htm>

On 25 October 2012, China and Niger signed two aid agreements worth USD25.6 million for the construction of a national referral hospital, which will be the biggest and modern hospital in Niamey and will have 500-bed capacity, and the purchase of 30 vehicles valued at USD1.9 million.³⁶⁰¹

On 24 November 2012, China and Liberia signed an Economic and Technical Cooperation Agreement. Under the agreement USD15 million will be spent to the Monrovia Vocational Training Center expansion project.³⁶⁰²

On 25 November 2012, the Phnom Penh Branch of the Bank of China set up an educational fund in Cambodia to support poor students to get education. The fund will provide construction of two Chinese schools in Cambodia.³⁶⁰³

On 7 December 2012, a food industry laboratory built with Chinese financial assistance was opened in Cambodia. This laboratory aims to improve food quality and safety, research and technology development of food industry in Cambodia.³⁶⁰⁴

During the compliance period China has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally but no facts of China's actions through multilateral cooperation have been found. Thus, it has been awarded a score of 0.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with the commitment on social protection floors.

On 2 October 2012, the special committee of the Board of Directors of the Agence Française de Développement (AFD) supported the initiatives of several NGOs and approved the allocation of USD14.63 million for the 18 projects in LICs, including projects to assist education systems in Mozambique, Guinea, Madagascar, Cambodia, Guinea Bissau, Chad, Benin, Afghanistan.³⁶⁰⁵

On 21 December 2012, the AFD signed a financing agreement for the expansion and modernization of the University of Mountains in Cameroon. AFD's loan of USD10.03 million will finance the construction of buildings, classrooms, laboratories and offices.³⁶⁰⁶

³⁶⁰¹ China gives Niger 25.6 mln USD for hospital construction, the Ministry of Foreign Affairs of the People's Republic of China 25 October 2012. Date of Access: 11 February 2013.

<http://wcm.fmprc.gov.cn/pub/zflt/eng/zxxx/t983068.htm>

³⁶⁰² Liberia, China sign 15 mln USD economic agreement, Hunan Provincial People's Government 24 November 2012. Date of Access: 11 February 2013.

http://www.enghunan.gov.cn/Text_News/201211/t20121125_679820.htm

³⁶⁰³ Bank of China launches educational fund for Cambodian students, Xinhua News agency 25 November 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-11/25/c_131997962.htm

³⁶⁰⁴ Cambodia inaugurates food industry lab under Chinese aid, Xinhua News agency 7 December 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-12/08/c_132027343.htm

³⁶⁰⁵ L'AFD soutient 18 nouveaux projets d'ONG françaises pour un montant de 11,26 millions d'euros. 02 Octobre 2012. AFD. URL:

<http://www.afd.fr/home/AFD/nospartenaires/ONG?actuCtnId=86489>

³⁶⁰⁶ Expanding and modernizing Montagnes University in Bangangte. 01 February 2013. AFD. URL:

<http://www.afd.fr/lang/en/home/pays/afrique/geo-af/cameroun?actuCtnId=95584>

On 29 January 2013, Burundi and France signed an agreement on granting USD5 million to improve access to quality education through the Common Fund for Education initiative.³⁶⁰⁷ The Fund was established in 2008 by AFD, Belgian Development Cooperation, DFID and Luxembourg.³⁶⁰⁸

On 19 February 2013, the special committee of the Board of Directors of the Agence Française de Développement (AFD) supported the initiatives of several NGOs and approved the allocation of USD11.8 million for the 8 projects in LICs, including projects to assist education systems in Sub-Saharan Africa and reinforce water systems in Togo, Niger, Burkina Faso and Senegal.³⁶⁰⁹

On 23 April 2013, the special committee of the Board of Directors of the Agence Française de Développement (AFD) supported the initiatives of several NGOs and approved the allocation of EUR17.55 million for the 17 projects in LICs, including projects to assist national health systems in Guinea, Mali, Senegal, Burkina Faso and to improve the lives of people with disabilities in Haiti.³⁶¹⁰

On 18 Juin 2013, the special committee of the Board of Directors of the Agence Française de Développement (AFD) supported the initiatives of several NGOs and approved the allocation of USD8.97 million for the 12 projects in LICs, including projects to assist national health systems in Cameroun, Mali, Burundi, Cote d'Ivoire, Burkina Faso.³⁶¹¹

During the compliance period France has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on social protection floors.

On 10 July 2012, Parliamentary State Secretary in the Federal Ministry for Economic Cooperation and Development (BMZ) Gudrun Kopp, highlighted the great importance attached to family planning and maternal health in Germany's development policy and announced that Germany would make available for that aim a minimum of EUR400 million over the period of 2012 to 2015. This money will give women from the poorest countries access to quality health

³⁶⁰⁷ La France et le Burundi renforcent leur coopération dans le secteur de l'éducation. 7 February 2013. Ambassade de France à Bujumbura. URL : <http://www.ambafrance-bi.org/La-France-et-le-Burundi-renforcent.809>

³⁶⁰⁸ Burundi. Efficacité de l'aide dans le secteur de l'éducation 2010. The Global Partnership for Education. URL: <http://www.globalpartnership.org/media/Country%20profiles/Burundi%20updated.pdf>

³⁶⁰⁹ L'AFD soutient 8 nouveaux projets d'ONG françaises. 19 February 2013. AFD. URL: http://www.afd.fr/home/ctnscroll_ActualitesList/6_30?engineName=search&requestedCategories=tech_news_home_site_afd

³⁶¹⁰ L'AFD soutient 17 nouveaux projets d'ONG françaises pour un montant de 13,5 millions d'euros. 23 April 2013. AFD. URL: http://www.afd.fr/home/ctnscroll_ActualitesList/6_18?engineName=search&requestedCategories=tech_news_home_site_afd

³⁶¹¹ L'AFD soutient 12 nouveaux projets d'ONG françaises pour un montant de 6.9 millions d'euros. 18 Juin 2013. AFD. URL: http://www.afd.fr/home/ctnscroll_ActualitesList/6_0?engineName=search&requestedCategories=tech_news_home_site_afd

services during pregnancy and childbirth and will improve the development outlook for children.³⁶¹²

In July 2012, acting on behalf of the German federal government, KfW Entwicklungsbank supported East African countries in their efforts to improve the health of their people and to facilitate access to health services. In cooperation with East African Community and Aga Khan Development Network, KfW has developed an innovative program for the health care system. The objective is to broaden the array of training possibilities for health care staff and enhance their qualification.³⁶¹³

On 7 August 2012, German Development Minister Dirk Niebel met with Sierra Leone's Foreign Minister Joseph Bandabla Dauda. At his meeting Dirk Niebel pledged that Germany would continue its support for the country in tackling the major challenges it faces, such as the high levels of unemployment. One of the priority areas of development cooperation between Germany and Sierra Leone will be support for private sector development and youth employment.³⁶¹⁴

On 24 August 2012, during the visit to Malawi State Secretary Gudrun Kopp promised an assistance package that includes support for family planning based on cooperation with nongovernmental organisations, especially in rural areas in Malawi.³⁶¹⁵

On 16 October 2012, the Federal Ministry for Economic Cooperation and Development (BMZ) hosted the launch of the Education for All Global Monitoring Report in Germany (GMR). The event was co-organized by the BMZ and the German Commission for UNESCO and took place in Bonn. In addition to monitoring the progress made on education goals throughout the world, the GMR focuses on young people's life and vocational skills. The BMZ provided strong support to the report's drafting because Germany has a vast expertise in the field of vocational training in development cooperation.³⁶¹⁶

On 16 November 2012, German Development Minister Dirk Niebel released the German payment to the Global Fund to Fight AIDS, Tuberculosis and Malaria worth EUR100 million.³⁶¹⁷

³⁶¹² On the occasion of World Population Day 2012, Gudrun Kopp notes that funds for rights-based family planning and maternal health have been doubled, total amount will be 400 million euros, the Federal Ministry for Economic Cooperation and Development 10 July 2012. Date of access: 17 January 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2012/July/20120710_pm_171_weltbevoelkerung/index.html

³⁶¹³ Better Health for East Africa, KfW Entwicklungsbank 19 July 2012. Date of access: 15 January 2013. http://www.kfw-entwicklungsbank.de/ebank/EN/Home/About_Us/News/News_2012/20120719_42332.jsp

³⁶¹⁴ Dirk Niebel in Sierra Leone: "Important to give young people a future", the Federal Ministry for Economic Cooperation and Development 7 August 2012. Date of access: 17 January 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2012/August/20120807_pm_181_sierraleone/index.html

³⁶¹⁵ Population dynamics main challenge for Malawi, says Gudrun Kopp, the Federal Ministry for Economic Cooperation and Development 28 August 2012. Date of access: 17 January 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2012/August/20120824_pm_200_malawi/index.html

³⁶¹⁶ Global launch of EFA Global Monitoring Report in Germany, the Federal Ministry for Economic Cooperation and Development 16 October 2012. Date of access: 23 January 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2012/October/20121016_pm_247_weltbildungsbericht/index.html

³⁶¹⁷ Dirk Niebel releases 100 million euros for the Global Fund, the Federal Ministry for Economic Cooperation and Development 16 November 2012. Date of access: 23 January 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2012/November/20121116_pm_270_gfatm/index.html

On 23 January 2013, the Federal Ministry for Economic Cooperation and Development (BMZ), Kindernothilfe and Lautenschläger Foundation launch project in Ethiopia. The project's target group are women living on the margins of society in regions of Ethiopia. The women selected for the project are to meet once a week and save a small amount of money on a regular basis. On the basis of their savings, the women will be given low-interest credits for the purpose of setting up a small business or similar venture. The additional income generated by their activities will help them provide better for themselves and their families, send their children to school on a regular basis and purchase suitable medical treatment when ill. The project will initially run until the end of 2015, with the BMZ funding 75 per cent of the costs. To help cover the remaining 25 per cent, the Manfred Lautenschläger Foundation will donate EUR167,000 to Kindernothilfe for the project.³⁶¹⁸

On 14 March 2013, UN Special Representative for Afghanistan Ján Kubiš and German Development Minister Dirk Niebel hold negotiations on development cooperation. The two sides agreed that they would continue, and deepen, their cooperation in the existing priority areas of economic development and promotion of employment, basic and vocational education, energy and water supply, and improvement of governance.³⁶¹⁹

During the compliance period Germany has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Yulia Ovchinnikova

India: 0

India has partially complied with the commitment on social protection floors.

In 2012, India provided 40 ambulances and 8 school buses for healthcare and educational institutions in Nepal.³⁶²⁰

In 2012, India supplied equipment worth INR14.7 million (about USD270 thousand) for educational sector and INR60 million (approximately USD1.1 million) for healthcare institutions in Malawi.³⁶²¹

On 3 September 2012, Indian Minister of Health and Family Welfare Nabi Azad and Minister of Health of Tajikistan Nusratullo Salimov signed a Memorandum of Understanding (MoU) for

³⁶¹⁸ Help for ten thousand women and children – BMZ, Kindernothilfe and Lautenschläger Foundation launch project in Ethiopia, the Federal Ministry for Economic Cooperation and Development 23 January 2013. Date of access: 3 February 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2013/januar/20130123_pm_10_aethiopien/index.html

³⁶¹⁹ Government negotiations with Afghanistan concluded – Dirk Niebel meets Ján Kubiš, UN Special Representative for Afghanistan, the Federal Ministry for Economic Cooperation and Development 14 March 2013. Date of access: 4 July 2013.

http://www.bmz.de/en/press/aktuelleMeldungen/2013/februar/20130209_pm_19_hiv_suedafrika/index.html

http://www.bmz.de/en/press/aktuelleMeldungen/2013/maerz/130314_pm_50_Government-negotiations-with-Afghanistan-concluded-Dirk-Niebel-meets-Jan-Kubis-UN-Special-Representative-for-Afghanistan/index.html

³⁶²⁰ Annual Report 2012-2013, Ministry of External Affairs of India 14 March 2013. Date of Access: 28 March 2013. http://mea.gov.in/Uploads/PublicationDocs/21385_Annual_Report_2012-2013_English.pdf.

³⁶²¹ Annual Report 2012-2013, Ministry of External Affairs of India 14 March 2013. Date of Access: 28 March 2013. http://mea.gov.in/Uploads/PublicationDocs/21385_Annual_Report_2012-2013_English.pdf.

cooperation in the sphere of health. The MoU provides for cooperation on medical education, health research and hospital management, establishment of diagnostic centers in Tajikistan, and sharing India's experience in developing rural health centers.³⁶²²

During the compliance period India has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally but no facts of India's actions through multilateral cooperation have been found. Thus, it has been awarded a score of 0.

Analyst: Andrey Shelepov

Indonesia: +1

Indonesia has fully complied with the commitment on social protection floors.

Indonesia has taken actions to promote the creation of nationally designed social protection floors bilaterally.

On 8 November 2012, Indonesian ambassador in Namibia Augustine Sumartono held talks with Namibian Minister of Health and Social Services Richard Kamwi. Indonesian ambassador said that in June 2012 the two countries agreed to sign a Memorandum of Understanding (MoU) for health cooperation. Despite the fact that this MoU is not finalized, Indonesia will implement projects in the field of health in Namibia, including "the dispatch of specialists from Indonesia, health information exchange and cooperation in capacity-building."³⁶²³

On 8 January 2013, Indonesian Foreign Minister Marty Natalegawa visited several refugee camps in Myanmar. He highlighted that in addition to the aid worth of USD1 million to satisfy people's primary needs, including medicines and education, Indonesia will also stimulate Myanmar economy and work opportunities to "create the hopes for a better living in the future."³⁶²⁴

On 12 June 2013, Indonesian and Myanmar foreign ministers agreed on a Blue Book on Indonesia — Myanmar Capacity Building Partnership 2013-2015. The Blue Book provides for cooperation in different areas, including socio-economic development. Indonesian Foreign Minister Marty M. Natalegawa reiterated the commitment to contribute to Myanmar social development. Previously Indonesia had invested USD1 million in constructing several buildings, including a school, in the Rakhine State of Myanmar.³⁶²⁵

Indonesia has taken actions to promote the creation of nationally designed social protection floors on a multilateral level.

³⁶²² MoU Signed between the Ministry of Health and Family Welfare, Govt. of India and Ministry of Health, Govt. of Tajikistan, Press Information Bureau, Government of India 3 September 2012. Date of Access: 28 March 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=87261>.

³⁶²³ Namibia Expects Specialist Doctors from Indonesia, Ministry of Foreign Affairs of Indonesia 13 November 2012. Date of Access: 13 February 2013. <http://www.deplu.go.id/Pages/News.aspx?IDP=5922&l=en>.

³⁶²⁴ FM Affirms Commitment to Deliver USD 1 Million Humanitarian to Myanmar Government, Ministry of Foreign Affairs of Indonesia 9 January 2013. Date of Access: 13 February 2013. <http://www.kemlu.go.id/madrid/Pages/News.aspx?IDP=6042&l=en>.
<http://www.kemlu.go.id/madrid/Pages/News.aspx?IDP=6042&l=en>.

³⁶²⁵ Indonesia-Myanmar Created a Blue Book on Capacity Building Partnership, Ministry of Foreign Affairs of Indonesia 13 June 2012. Date of Access: 2 July 2013. <http://www.kemlu.go.id/Pages/News.aspx?IDP=6289&l=en>.

On 23 December 2012, Indonesian ambassador to Afghanistan Anshory Tadjudin and Afghan Deputy Minister of Rural Rehabilitation and Development Mohammad Tariq Ismati discussed the outcomes of the training projects implemented by Indonesia and aimed at poverty eradication in rural areas of Afghanistan.³⁶²⁶ In particular, they focused on the scheme of Third Country Training Program (TCTP) on Participatory Community Development Training for Afghanistan. In the framework of this project, Indonesian, Japanese and Afghan governments cooperated to organize a two-weeks training in Kabul, Afghanistan and Jakarta and Makassar, Indonesia on 2-14 July 2012.³⁶²⁷

During the compliance period Indonesia has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally together with other donors. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: 0

Italy has partially complied with the commitment on social protection floors.

On 3 September 2012, Italian Ministry of Foreign Affairs (MFA) announced that the Italian Cooperation responded to the international community appeal for aid for the Ebola virus emergency in the Democratic Republic of Congo (DRC). Italy provided a multilateral donation of EUR300,000 (about USD401,325) to finance the World Health Organization (WHO) project aimed at combating the epidemic registered in late July in the country's eastern province. In particular, in the framework of this project Italy helped to control the spread of the virus and reduce the mortality rate, through training courses for medical staff and community for the timely detection of suspected cases.³⁶²⁸

On 5 October 2012, the Italian Directorate General for Development Cooperation declared that it launched the second phase of the "Emergency initiative for the improvement of food security, access to safe water, hygiene and for assistance to particularly vulnerable groups (refugees and displaced persons from war, women and children), in the province of Kivu of the DRC," with the value of EUR800,000 (about USD1.07 million).³⁶²⁹

On 22 November 2012, the MFA announced the launch of a new project in favor of the people of Haiti, heavily affected by Hurricane Sandy. The Ministry earmarked an additional multilateral contribution of EUR200,000 (about USD267,550) to the UN World Food Program (WFP) for an emergency 7-month project (from November 2012 to May 2013) hoping to reach approximately

³⁶²⁶ Indonesia Maintains its Commitment to Provide Assistance in Capacity Building to Afghanistan, Ministry of Foreign Affairs of Indonesia 26 December 2012. Date of Access: 13 February 2013. <http://www.deplu.go.id/Pages/News.aspx?IDP=6023&l=en>.

³⁶²⁷ Third Country Training Program on Participatory Community Development Training for Afghanistan, Ministry of Foreign Affairs of Indonesia 3 July 2012. Date of Access: 13 February 2013. <http://kemlu.go.id/Pages/PressRelease.aspx?IDP=1350&l=en>.

³⁶²⁸ Congo: emergenza ebola in Congo, Cooperazione dona 300mila euro, MFA 3 September 2012. Date of Access: 28 January 2013. http://www.esteri.it/MAE/IT/Sala Stampa/ArchivioNotizie/Approfondimenti/2012/09/20120903_Congo.htm?LANG=IT

³⁶²⁹ Sicurezza alimentare e accesso all'acqua, Italian Development Cooperation 5 October 2012. Date of Access: 28 January 2013. <http://www.cooperazioneallosviluppo.esteri.it/pgcs/italiano/news/viewnews.asp?idx=5504>

one million of the island's people in serious difficulty. In particular, the UN agency aims to organize "cash for work" activities to promote employment, and to proceed with restoring rural roads, land irrigation and drainage systems, terracing and reforestation.³⁶³⁰

On 29 March 2013, Italian Ministry of Foreign Affairs announced a new initiative to improve distance learning in Afghanistan through a technical agreement signed in Kabul confirming a contribution of EUR920,000 (about USD1.2 million) to the "Educational Radio and TV of Afghanistan — Ertv" program aimed at expanding broadcast coverage to add 10 new provinces to the 7 already receiving, which include Kabul, Balkh, Herat, Kandahar, Paktia, Bamiyan and Nangarhar. Distance learning plays an especially important role in Afghanistan where mountainous terrain, a lack of infrastructure and socio-cultural rigidity combine to make access to education in rural areas difficult.³⁶³¹

On 30 May 2013, the Deputy Minister for Foreign Affairs, Lapo Pistelli, in the light of signing a new 3-year framework agreement between Italy and Ethiopia in Addis Ababa, announced that Italy was able to double aid to Ethiopia from the EUR48 million (about USD62.5 million) of 2009-2011 to EUR98.9 million (about USD129 million) for 2013-2015. An important contribution is aimed at developing the area with a special focus on mother/child healthcare.³⁶³²

On 25 June 2013, the Director General for Development Cooperation, Giampaolo Cantini, and his colleague from the United Nations Food and Agricultural Organisation (FAO), Jose' Graziano da Silva, signed an agreement containing the new development project worth EUR1.5 million (USD1.95 million). With this project the Italian Development Cooperation is going to support smallholdings and cooperatives run by women and young people in Kenya and South Sudan's most marginalised regions, and help them obtain access to markets and to market and sell their agricultural products.³⁶³³

On 28 June 2013, the Deputy Minister of Foreign Affairs, Lapo Pistelli, announced the Italian Cooperation's decision to put a total of EUR60 million (about USD80 million) toward health, education and infrastructure projects in Africa and Asia. The most important initiatives include promoting agricultural development in Ethiopia, and EUR5 million (about USD6.5 million) initiative to consolidate Afghan institutions and EUR3 million (about USD4 million) initiative to education in Mozambique. The recipients of the EUR28 million (about USD36.5 million) in

³⁶³⁰ Cooperazione 200mila euro a Wfp per uragano Sandy, MFA 22 November 2012. Date of Access: 28 January 2013.

http://www.esteri.it/MAE/IT/Sala_Stampa/ArchivioNotizie/Approfondimenti/2012/11/20121122_Cooperazione.htm?LANG=IT

³⁶³¹ Afganistan - Da Italia nuovo contributo per istruzione, Italian Ministry of Foreign Affairs 29 March 2013. Date of Access: 1 July 2013.

http://www.esteri.it/MAE/IT/Sala_Stampa/ArchivioNotizie/Approfondimenti/2013/03/20130329_afganistan.htm?LANG=IT

³⁶³² Italy-Ethiopia: Pistelli, cooperation funds doubled, Italian Ministry of Foreign Affairs 30 May 2013. Date of Access: 1 July 2013.

http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2013/05/20130530_italia_etiopia.htm?LANG=EN

³⁶³³ Africa: 1.5 million euros from Italy for women and young people, Italian Ministry of Foreign Affairs 25 June 2013. Date of Access: 2 July 2013.

http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2013/06/20130625_africa_donne_giovani.htm?LANG=EN

donations and EUR32 million (about USD42 million) in assistance loans include Somalia, Mozambique, Eritrea, Afghanistan, Lebanon, North Korea and Myanmar.³⁶³⁴

During the compliance period Italy has taken actions to assist LICs in social protection floors sphere bilaterally and multilaterally. However these actions were mainly short-term and not focused on strengthening national capacities. Thus, it has been awarded a score of 0.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with the commitment on social protection floors.

During the compliance period Japan has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally.

On 23 August 2012, JICA Head in Afghanistan Akihiko Tanaka met with the President of Afghanistan Hamid Karzai. JICA Head Tanaka pledged that Japan would remain committed to helping Afghanistan in health and education sectors through development programs. He also added that Japan has planned to build a hospital in Kabul city till the end of 2012.³⁶³⁵

On 13 September 2012, in Central African Republic an official handover ceremony took place for the Project of the Construction of Primary Schools. The Japanese government's grant aid enabled the construction of 11 Government Primary Schools and 119 classrooms.³⁶³⁶

On 5 October 2012, the Japanese government provided a JPY1.333 billion grant (approximately USD17 million) to Haiti for the reconstruction of the departmental public hospital, St-Michel de Jacmel. The works were planned to begin in March 2013.³⁶³⁷ As of 27 May 2013, Japan has been involved in bilateral support to Haiti in 4 areas: health and hygiene (emergency goods to combat cholera, hospital and clinic reconstruction, including the above mentioned hospital), education and capacity development (primary school reconstruction, training), food and agriculture (food aid, assistance to poor farmers, training), and other reconstruction activities.³⁶³⁸

On 20 January 2013, the Japanese ambassador in Haiti Kenji Kuratomi signed 4 contracts with Haitian organizations as the part of the programme "Assistance in the form of donations to the Micro-Local Projects contributing to the Human Security." The contracts are aimed at

³⁶³⁴ Cooperation: €60 million for projects in Africa and Asia, Italian Ministry of Foreign Affairs 28 June 2013. Date of Access: 2 July 2013.

http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2013/06/20130628_Cooperazione_60 mln interventi Africa Asia.htm?LANG=EN

³⁶³⁵ President Karzai: We Ask Japan to Increase Its Assistance in Education and Health Sectors, Office of the President 23 August 2012. Date of Access: 11 February 2013. <http://president.gov.af/en/news/12219>.

³⁶³⁶ Handover Ceremony for the "Project of the Construction of Primary Schools" in Central African Republic, Embassy of Japan in the Central African Republic 13 September 2012. Date of Access: 11 February 2013. <http://www.cmr.emb-japan.go.jp/en/RCA-en.html>.

³⁶³⁷ \$17MM for the Construction of the Hospital St-Michel of Jacmel, HaitiLibre 05 October 2012. Date of Access: [http://www.haitilibre.com/en/news-6811-haiti-health-\\$17mm-for-the-construction-of-the-hospital-st-michel-of-jacmel.html](http://www.haitilibre.com/en/news-6811-haiti-health-$17mm-for-the-construction-of-the-hospital-st-michel-of-jacmel.html).

³⁶³⁸ Japan, a country that keeps its promises, HaitiLibre 27 May 2013. Date of Access: 11 July 2013. <http://www.haitilibre.com/en/news-8659-haiti-reconstruction-japan-a-country-that-keeps-its-promises.html>.

construction of 2 schools and a health center and at modernization of the dairy. The total amount of aid is USD509.13 thousand.³⁶³⁹

On 11 March 2013, the Japanese embassy extended a USD316.4 thousand grant to three local organizations in Rwanda which would help empower vulnerable people in the country, especially women and other marginalized persons. According to the Charge D’Affaires at the Japan Embassy Shigeru Kondo the three organizations would build a community center for widows in Kicukiro district, a kindergarten in Nyanza and a storage facility with 6 water tanks in Burera district.³⁶⁴⁰

On 20 March 2013, Japan provided Uganda with a grant of USD631.5 thousand to enable 7 grass-root organizations working in health and education sectors. Japan’s ambassador to Uganda, Kazuo Minagawa, announced that the grant was a part of the “Grant Assistance for Grassroots Human Security Projects.”³⁶⁴¹

On 15 April 2013, the Japanese ambassador to Zimbabwe Yonezo Fukuda officially handed over to Zimbabwe the building and equipment worth USD123.5 thousand for physically-challenged students at King Gerge VI in Bulawayo.³⁶⁴²

On 30 April 2013, the official ceremony of Japanese Grant Aid “Project for Improvement of Medical Equipment in National, Municipal and Provincial Referral Hospitals in Cambodia” has been held. According to the agreement signed on 29 March 2012 Japanese governments handed over to the Ministry of Health of Cambodia x-ray machines, ultrasounds, and patient monitoring systems for 4 national and 17 provincial hospitals. The equipment is worth JPY214.3 million (approximately USD2.697 million).³⁶⁴³

On 7 May 2013, Japan’s ambassador in Afghanistan Hiroshi Takahashi and Education Minister of Afghanistan Ghulam Farooq Wardak signed a contract under which the Japanese side would provide USD25 million for the construction of 51 school buildings in Bamyan, Daikundi and Ghor provinces.³⁶⁴⁴

During the compliance period Japan has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors multilaterally.

On 11 February 2013, Japan signed a grant assistance agreement with Afghanistan to provide USD13.3 million for improving 3 health clinics, 14 schools, pavement of 30 km of rural roads

³⁶³⁹ Japan Financed 4 New Projects, HaitiLibre 20 January 2013. Date of Access: 10 July 2013.

<http://www.haitilibre.com/en/news-7681-haiti-reconstruction-japan-financed-4-new-projects.html>.

³⁶⁴⁰ Japanese Embassy Boosts Women Groups, Rwanda E-Embassy in Japan 11 March 2013. Date of Access: 10 July 2013. <http://www.rwandaembassy-japan.org/en/modules/wordpress/index.php?p=539#more-539>.

³⁶⁴¹ Japan Donates SH1.6b for Education and Health, New Vision 20 March 2013. Date of Access: 10 July 2013. <http://www.newvision.co.ug/news/640845-japan-donates-sh1-6b-for-education-and-health.html>.

³⁶⁴² Mhalanga F. Japan Donates to Disabled Children School, NewsDay 15 April 2013. Date of Access: 10 July 2013. <http://www.newsday.co.zw/2013/04/15/japan-donates-to-disabled-children-school/>.

³⁶⁴³ Paving the Way for More Accessible Quality Health Care for Many, Jica Cambodia Office 29 April 2013. Date of Access: 10 July 2013.

<http://www.jica.go.jp/cambodia/english/office/topics/press130429.html>.

³⁶⁴⁴ Japan Funds Construction of School Buildings in Afghanistan, Wadsam 07 May 2013. Date of Access: 10 July 2013. <http://www.wadsam.com/japan-funds-construction-of-school-buildings-in-afghanistan-2323/>.

and construction of several bridges. These projects are going to be implemented in partnership with the United Nations (UNOPS).³⁶⁴⁵

On 13 March 2013, Japan contributed USD15 million to UNICEF to support nutrition, food security, health, education, child protection, water, sanitation and hygiene efforts in Somalia.³⁶⁴⁶

On 10 June 2013, the Government of Japan announced that it would donate USD11 million to UNICEF. The grant is aimed at financing programmes in health, nutrition, education, water, sanitation and hygiene for children in Ethiopia.³⁶⁴⁷

During the compliance period Japan has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Evgeny Guschchin

Korea: +1

Korea has fully complied with the commitment on social protection floors.

On 16 October 2012, the Export-Import Bank (Eximbank) of Korea signed a loan agreement worth USD26.8 million with Uganda, providing for financial support to a vocational training program in this country. Apart from Eximbank, the program involves African Development Bank (AfDB) and is aimed at building technical training centers in Uganda, as well as providing supply of training materials and consulting related to education and training.³⁶⁴⁸

On 15 November — 1 December 2012, Korean International Cooperation Agency (KOICA) held training in the field of maternal and child health for public officials from Bangladesh, Myanmar and Nepal. The training was aimed at improving “capability of establishing policies for maternal and child health” in these countries through sharing Korean experience in the area.³⁶⁴⁹

On 17 November 2012, KOICA started the 22-day fellowship program for 20 representatives of the Afghan education system. One of the main objectives of the program is fostering the “planning ability of educational policy” in Afghanistan.³⁶⁵⁰

³⁶⁴⁵ Japan Provides \$13.3 million grant assistance to Nangarhar community development, Ministry of Foreign Affairs of Afghanistan 11 February 2013. Date of Access: 10 July 2013. <http://mfa.gov.af/en/news/17303>.

³⁶⁴⁶ Japan Supports Basic Service Delivery for children in Somalia, UNICEF 13 March 2013. Date of Access: 10 July 2013. http://www.unicef.org/somalia/media_12359.html.

³⁶⁴⁷ Japan Donates US\$11 million for children in Ethiopia, UNICEF 10 June 2013. Date of Access: 10 July 2013. http://www.unicef.org/esaro/5440_12785.html.

³⁶⁴⁸ Korea Eximbank Assists Africa with Agricultural Irrigation System and HR Development, Korea Eximbank 16 October 2012. Date of Access: 28 March 2013. http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11259&bbs_code_id=1316753474007&bbs_code_tp=BBS_2&req_pg=5.

³⁶⁴⁹ Maternal and Child Health Promotion (for Asian Pacific Countries), Korea International Cooperation Agency 21 November 2012. Date of Access: 28 March 2013. http://www.koica.go.kr/english/board/new/1292191_1967.html.

³⁶⁵⁰ Planning and Implementation of Education Policy (Afghanistan), Korea International Cooperation Agency 19 November 2012. Date of Access: 28 March 2013. http://www.koica.go.kr/english/board/new/1291841_1967.html.

On 2 January 2013, South Korean ambassador to Rwanda Hwang Soon Taik announced that South Korea would continue providing support to Rwanda in the area of education, with a particular focus on technical and vocational education, and training. He also informed that South Korea delivers its support to Rwanda through KOICA, dispatching volunteers in different spheres, including education.³⁶⁵¹ As of November 2012, 86 volunteers were working in the field of education in Rwanda.³⁶⁵²

During the compliance period Korea has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Mexico: 0

Mexico has partially complied with the commitment on social protection floors.

On 25-26 July 2012, the Mexican Ministry of Social Development (SEDESOL) participated in the seminar “Strengthening Social Protection Systems” organized by APEC in Manila, the Philippines. The representatives of the World Bank, Asian Development Bank, International Labour Organization as well as APEC members — Japan, Chile, the US, Indonesia, Malaysia, Papua Nueva Guinea, Peru, Thailand, Taiwan and Vietnam took part in the meeting. The Deputy Director General of Social Programs Monitoring Alejandro Rosas Guerrero presented Mexico’s experience in social programs effectiveness evaluation based on example of programs “70 and more” and “Daycare.”³⁶⁵³ Mr. Guerrero strengthened the most useful indicators to estimate the positive impact of the social programs, the technical difficulties with programs implementation etc.³⁶⁵⁴

On 21 November 2012, the Rehabilitation Center for Drug Addicted was opened in Honduras province San Pedro Sula with assistance of the Mexican Agency for International Development (AMEXCID) and the Mexican Health Ministry. The center provides three month courses of rehabilitation including education, recreation and sport services. On 20-24 August 2012, an expert from Mexican Health Ministry, Juan Arturo Sabines Torres, provided the training course for Honduras medical officers.³⁶⁵⁵

On 1 March 2013, the Mexican Government announced special Scholarship Programmes for Foreign Students including grants for the foreign specialists to give lectures, courses, seminars in Mexican universities and research centers; for media professionals to write articles and take

³⁶⁵¹ Rwanda: South Korea to Support Community Development Programmes, AllAfrica 5 January 2013. Date of Access: 28 March 2013. <http://allafrica.com/stories/201301070024.html>.

³⁶⁵² SAEMAUL's Contribution Towards Rural Development, Korea International Cooperation Agency 16 November 2012. Date of Access: 28 March 2013. http://www.koica.go.kr/english/resources/news/1291591_1962.html.

³⁶⁵³ Evaluating Social Protection Programmes: The Case of Mexico July 2012. Date of Access: 29 January 2013. http://hrd.apec.org/images/3/33/7A_Guerrero.pdf

³⁶⁵⁴ HRDWG/LSPN Social Protection Seminar. APEC Human Resource Development Working Group Official Site 25 July 2012. Date of Access: 29 January 2013. http://hrd.apec.org/index.php/LSPN_Social_Protection_Seminar_Presentations#Manila_Seminar.

³⁶⁵⁵ México asesora a Honduras para establecer Centro de Atención en Adicciones, AMEXCID 21 November 2012. Date of Access: 1 April 2013. <http://amexcid.gob.mx/index.php/es/prensa/comunicados/1676-asesoria-honduras-centro-atencion-adicciones>

interviews on Mexico etc. The foreign specialists are provided with monthly grant (USD765), air tickets and medical insurance.³⁶⁵⁶ More than 180 countries participate in these programmes including LICs: Afghanistan, Benin, Burkina Faso, Burundi, Chad, Comoros, Eritrea, Ethiopia, Gambia, Guinea, Kenya, Malawi, Mauritania, Mozambique, Niger, Rwanda, Sierra Leone, Somalia, Tanzania, Togo, Uganda, Zimbabwe (Africa), Bangladesh, Cambodia, Kyrgyzstan, North Korea, Myanmar, Nepal, Tajikistan (Asia), Haiti (Caribbean).³⁶⁵⁷

During the compliance period Mexico has taken some limited actions to assist LICs in capacity building for implementing nationally determined social protection floors. Thus, it has been awarded a score of 0.

Analyst: Elizaveta Safonkina

Russia: +1

Russia has fully complied with the commitment on social protection floors.

Russia has taken measures to support nationally designed social protection floors in developing countries.

Russia contributes to the development of a school meal program in Armenia. According to the Russian Government decision on 30 June 2010, USD6 million were allocated in 2011-2012 to the World Food Program (WFP) for the realization of this program.³⁶⁵⁸ The goal of Russia and the WFP is “to make the programs self sufficient and nationally-owned.”³⁶⁵⁹ On 23 November 2012, the Russian Government decided to extend this program to 2015 and allocate additional USD10 million for its implementation.³⁶⁶⁰

On 22 November 2012, the Russian Government decided to allocate USD15 million for realization of similar programs in the Deauville Partnership countries in 2012-2014.³⁶⁶¹ On 11 June 2013, the Russian Government decided to allocate USD22 million for realization of similar programs in Tajikistan and Kyrgyzstan in 2013-2015.³⁶⁶²

³⁶⁵⁶ 2013 Mexican Government Scholarship Program for Foreign Students, AMEXCID 1 March 2013. Date of Access: 7 July 2013. <http://amexcid.mx/index.php/es/oferta-de-becas-para-extranjeros/1737>.

³⁶⁵⁷ Countries participating in the 2013 Mexican Government Scholarship Program for Foreign Citizens – Special Programs, AMEXCID 1 March 2013. Date of Access: 7 July 2013. <http://amexcid.gob.mx/index.php/es/component/content/article/154-oferta-de-becas-para-extranjeros/1738-countries-participating-in-the-2013-mexican-government-scholarship-program-for-foreign-citizens-special-programs>.

³⁶⁵⁸ Executive Order No. 1086, Government of Russia 30 June 2010. Date of Access: 27 November 2012. <http://government.consultant.ru/page.aspx?8411;1288628>.

³⁶⁵⁹ Russia Provides Model for School Meals in CIS, World Food Programme 18 March 2010. Date of Access: 27 November 2012. www.wfp.org/stories/russia-provides-model-school-meals-cis.

³⁶⁶⁰ Executive Order No. 2172, Government of Russia 23 November 2012. <http://www.government.ru/gov/results/21613/>.

³⁶⁶¹ Executive Order No. 2153, Government of Russia 22 November 2012. <http://www.government.ru/gov/results/21596/>.

³⁶⁶² Executive Order No. 960-p, Government of Russia 14 June 2013. <http://government.ru/docs/2398>.

In August 2012, Russia and Armenia signed a memorandum of cooperation on strengthening Armenia's health system capacity through tropical diseases surveillance. Russia will deliver laboratorial equipment and train Armenian specialists.³⁶⁶³

Russian has also participated in the Rapid Social Response Program with a contribution of USD50 million. The Program is a "dedicated facility to streamline crisis support to the poor and vulnerable focused on social interventions." Around 90% of the program's funds are allocated to building safety nets and protecting access to basic services such as maintaining nutrition.³⁶⁶⁴

During the compliance period Russia has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on social protection floors.

Saudi Arabia has taken actions to promote the creation of nationally designed social protection floors unilaterally.

In 2012 the Saudi Fund for Development (SFD) focused on supporting several sectors including the social infrastructure sector. The funds offered to this sector were utilized in constructing schools, universities, health centers, etc. in Malawi, Mozambique, Lesotho, Mauritania, Tunisia, Ghana, Egypt and Bosnia and Herzegovina. One of the basic objectives of SFD is to participate in financing of development projects in developing countries through loans. During the period of monitoring in 2012, the fund signed SAR112.5 million (USD30 million) loan agreement to finance the new university campus in Nouakchot, Mauritania. The purpose of this loan is to support the national education program in Mauritania though providing infrastructure, equipment and training for the project execution unit.³⁶⁶⁵

Saudi Arabia has also taken actions to promote the creation of nationally designed social protection floors multilaterally.

Saudi Arabia participates in the Islamic Development Bank (IDB), the purpose of which is to foster the economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of Islamic Law. Saudi Arabia accounts for the largest share of the IDB capital among its 56 members —

³⁶⁶³ On Signing a memorandum of cooperation with Armenia, Rospotrebnadzor 6 August 2012.
<http://bit.ly/11U6J1Y>.

³⁶⁶⁴ The Russian Federation ODA. National Report.
<http://www1.minfin.ru/common/img/uploaded/library/2012/05/PresentationEng2012-0.pdf>

³⁶⁶⁵ Report 2012, The Saudi Fund for Development. Date of Access: 7 July 2013.
<http://www.sfd.gov.sa/cs/groups/public/documents/document/mdaw/mjuy/~edisp/121-37-3703-document-252051.pdf>.

26.57%.³⁶⁶⁶ In 2012 interventions of IDB in the social sectors amounted to USD 750.9 million, of which USD281.5 million was for 25 education operations and USD469.4 million for 26 operations in the health sector, including projects in such low-income countries like Chad, Benin, Burkina Faso, Mali, etc. The fund has contributed to the development of the education and health systems of these countries not only by providing infrastructure and equipment but also through training of personnel, supporting non-governmental health organizations, strengthening the capacity of the national education and healthcare programs and supporting efforts of these countries in the sphere of social protection.³⁶⁶⁷

During the compliance period Saudi Arabia has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors both unilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

South Africa: 0

South Africa has partially complied with the commitment on social protection floors.

South Africa supports implementation of social protection floors in the LICs mainly through multilateral instruments. One of the examples is the IBSA Facility for Poverty and Hunger Alleviation Fund established in 2004 by India, Brazil and South Africa. Each of these countries provides “an equal amount to the Fund which is managed by the UNDP Special Unit for South-South Cooperation.”³⁶⁶⁸ The following relevant projects are currently being implemented in South Africa’s neighboring countries: Strengthening Infrastructure and Capacity to Combat HIV/AIDS in Burundi, Leadership Development and Capacity Building for Human Development and Poverty Reduction in Sierra Leone (support of human resource planning and management, strategy and policy development, implementation and monitoring of delivery), Refurbishment of Health Care Infrastructure in Cape Verde.³⁶⁶⁹

During the compliance period South Africa has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors multilaterally but no facts of South Africa’s actions through bilateral cooperation have been found. Thus, it has been awarded a score of 0.

Analyst: Lyudmila Tarasenko

³⁶⁶⁶ Member countries, Islamic Development Bank. Date of Access: 7 July 2013.
http://www.isdb.org/irj/servlet/prt/portal/prtpos/com!252esap!252eportal!252enavigation!252eportallauncher!252eanonymous!7b!3b2!7d/prttarget/pcd!253aportal_content!252fidb!252een!252eIDBEnglish!252fcom!252eidb!252eenglish!252eIDBApplications!252fcom!252eidb!252eenglish!252eFrameworkContents!252fcom!252eidb!252eenglish!252eDesktop_Rules!252fcom!252eidb!252eenglish!252eIDBEnglish!252fframeworkPages!252fIDBInternetEnLightFrame.com!252esap!252eportal!252elightinnerpage.com!252esap!252eportal!252elightcontentarea.content.com!252eidb!252eenglish!252eMembercountries/prteventname/HtmlbEvent/prtroot/com.sap.portal.navigation.portallauncher.anonymous

³⁶⁶⁷ Annual Report 2012, Islamic Development Bank. Date of Access: 7 July 2013.

http://www.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/English/IDB/CM/Publications/Annual_Reports/38th/AnnualReport38.pdf

³⁶⁶⁸ Providing development aid to Africa: comparing South Africa with China, India and Brazil, SAFPI Policy Brief 25. <http://www.safpi.org/publications/providing-development-aid-africa-comparing-south-africa-china-india-and-brazil>.

³⁶⁶⁹ IBSA, UNDP. <http://tcdc2.undp.org/IBSA/Default.aspx>.

Turkey: +1

Turkey has fully complied with the commitment on social protection floors.

Turkey has taken actions to promote the creation of nationally designed social protection floors bilaterally.

On 23 November 2012, the Turkish Cooperation and Development Agency (TIKA) pledged to invest USD1 million in reconstructing Cancer Center for children in Dushanbe, Tajikistan. The total sum of money TIKA has invested in development projects in Tajikistan amounted to USD12 million. Officials from TIKA plan to continue implementing initiatives aimed at strengthening health system in Tajikistan. Some of them were discussed at the meeting of TIKA coordinator in Dushanbe and Turkish ambassador in Tajikistan with Tajik officials in October 2012.³⁶⁷⁰

On 1 December 2012, TIKA provided technical equipment for the Holistic Education Foundation's lyceum in Nairobi, Kenya. This contribution is a part of Turkish activities to improve educational system in Kenya.³⁶⁷¹

On 9 May 2013, TIKA opened a four-classroom local school building in Togo. The new school will provide elementary education for about 500 pupils.³⁶⁷²

Turkey has taken actions to promote the creation of nationally designed social protection floors on a multilateral level.

On 26-28 June 2013, TIKA, the Islamic Solidarity Fund for Development (ISFD) and Statistical, Social and Economic Research and Training Centre for Islamic Countries (SESRIC) organized a workshop on Innovative Solutions to Poverty in Ankara. TIKA and its partners, which are subsidiary bodies of the Organization for Islamic Cooperation (OIC), brought together several international institutions and NGOs to discuss the ways to reduce poverty, in particular measures in the spheres of health and social housing, in the OIC member countries, including LICs (Afghanistan, Bangladesh, Benin, Burkina Faso, Chad, Comoros, Gambia, Guinea, Guinea Bissau, Kyrgyzstan, Mali, Mauritania, Mozambique, Niger, Sierra Leone, Somalia, Tajikistan, Togo and Uganda).³⁶⁷³

During the compliance period Turkey has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors both bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

³⁶⁷⁰ Tika'dan Tacikistan'a Büyük Yatırım: Çocuk Kanseri Merkezi, Turkish Cooperation and Development Agency 23 October 2012. Date of Access: 4 February 2012. <http://www.tika.gov.tr/haber/tikadan-tacikistana-buyuk-yatirim-cocuk-kanser-merkezi/403>.

³⁶⁷¹ Tika'dan Kenya'da Eğitime Katkı Sağlayacak Proje Turkish Cooperation and Development Agency 1 December 2012. Date of Access: 31 January 2013. <http://www.tika.gov.tr/haber/tikadan-kenyada-egitime-katki-saglayacak-proje/404>.

³⁶⁷² TOGO'DA EĞİTİME TİKA'DAN DESTEK, Turkish Cooperation and Development Agency 9 May 2013. Date of Access: 4 July 2013. <http://www.tika.gov.tr/haber/togoda-egitime-tikadan-destek/593>.

³⁶⁷³ ISFD, SESRIC and TIKA Convene a Workshop on Innovative Solutions to Poverty in Ankara, Turkey, Islamic Solidarity Fund for Development 24 June 2013. Date of Access: 5 July 2013. <http://isfd.isdb.org/EN/NewsandCalendar/ISFD-news/Pages/The-Islamic-Solidarity-Fund-for-Development,-SESRIC-and-TIKA-Convene-a-Workshop-on-Innovative-Solutions-to-Poverty-in-Ankar.aspx>.

United Kingdom: +1

The United Kingdom has fully complied with the commitment on social protection floors.

On 20 September 2012, Minister for International Development at the UK Department for International Development Lynne Featherstone confirmed support of the British Government for thirteen new programs of the Sightsavers organization which will be focused on innovative ways to improve health for people living in poor countries, including Bangladesh and Malawi.³⁶⁷⁴

On 26 September 2012, the UK became a part of a new partnership between the Clinton Health Access Initiative, the Governments of Norway, the US and Sweden, the Children's Investment Fund Foundation, the pharmaceutical firm Bayer HealthCare AG and other groups which will increase access to contraceptives for 27 million women and girls in some of the world's poorest countries to avert more than 280,000 children and 30,000 maternal deaths.³⁶⁷⁵

On 2 October 2012, during the visit to Kenya Development Secretary Justine Greening made the pledge to strengthen the resilience of the local health systems.³⁶⁷⁶

On 3 October 2012, Secretary Greening announced that the UK will work in partnership with the Government of Somalia to improve the Government's capacity to manage its public resources to provide better social services, including schools and clinics.³⁶⁷⁷

On 7 December 2012, Secretary Greening announced a new project, under which development experts with experts from the Department for International Development and nonprofit organization the Global Impact Investing Network will support unlocking new private investment in projects, including health and education services, that help people in poor countries, including Ethiopia and Kenya, to pull themselves out of poverty.³⁶⁷⁸

On 10 December 2012 the collaboration between the Global Alliance for Vaccines and Immunization and mobile group Vodafone was backed by Development Secretary of the UK Justine Greening. A new innovative partnership will increase childhood vaccination levels in sub-Saharan Africa (which include LICs) with the help of mobile technologies. The measures will include alerting mothers to the availability of vaccinations by text messages, enabling health workers to access health records and schedule appointments through their phones and helping health facilities in remote locations monitor stocks to ensure that vaccinations are available when

³⁶⁷⁴ Health: New Innovations to Help Visually Impaired People, Department of the International Development of the UK 20 September 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Innovation-New-ideas-to-improve-health-across-Africa-and-Asia/>

³⁶⁷⁵ Family Planning: Contraceptives for 27m Women and Girls, Department of the International Development of the UK 26 September 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Family-planning-New-partnership-to-save-thousands-of-mums-and-babies/>

³⁶⁷⁶ Horn of Africa: Targeted Aid to Help Prevent Food Crises, Department of the International Development of the UK 2 October 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Horn-of-africa-preventing-future-food-disasters/>

³⁶⁷⁷ Somalia: UK Support for New Government, Department of the International Development of the UK 3 October 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Somalia-UK-aid-to-improve-health-and-education-for-thousands/>

³⁶⁷⁸ Business: UK Impact Investments to Boost Development, Department of the International Development of the UK 7 December 2012. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2012/Impact-investments-to-boost-development/>

mothers and children arrive. The UK Government will match Vodafone's contribution with a USD1.5 million contribution to GAVI.³⁶⁷⁹

On 7 January 2013, the UK set out its commitments on international development over the next two years and confirmed that among other tasks it will support primary education for 11 million children in developing countries.³⁶⁸⁰

On 14 February 2013, Deputy Prime Minister Nick Clegg announced a new education project which would help 89,000 girls in Mozambique and Ethiopia gain an education.³⁶⁸¹

On 18 March 2013, Development Secretary Justine Greening at the meeting with Malawian President Joyce Banda announced the new UK package of GBP21 million to tackle HIV and AIDS in Malawi.³⁶⁸²

On 27 March 2013, Foreign Secretary William Hague in a joint statement with the International Development Secretary Justine Greening announced the new GBP179 million (USD266 million) five-year healthcare programme in the Democratic Republic of the Congo. The programme will include providing emergency obstetric care, ensuring trained health workers are present at births, vaccination against measles and training health professionals to care for survivors of sexual and gender based violence.³⁶⁸³

On 24 April 2013, Department for International Development of the UK published information that it will invest GBP47 million (USD70 million) over 3 years into three new education programmes for girls in some of the poorest rural areas of Afghanistan.³⁶⁸⁴

On 5 June 2013, International Development Minister Alan Duncan announced that DFID will be funding initiatives that bring buyers, manufacturers, workers, NGOs and the government of Bangladesh together to agree a set of common standards for workers' safety in Bangladesh.³⁶⁸⁵

³⁶⁷⁹ Technology: Mobile Phones to Increase Take up of Vaccines, Department of the International Development of the UK 10 December 2012. Date of Access: 28 January 2013.

³⁶⁸⁰ Aid Commitments: Britain Sets out Pledges for UK Aid, Department of the International Development of the UK 7 January 2013. Date of Access: 28 January 2013. <http://www.dfid.gov.uk/News/Latest-news/2013/Aid-commitments-britain-sets-out-pledges-for-UK-aid/>

³⁶⁸¹ Girls & Women: New Education Project to Transform Lives, Department of the International Development of the UK 14 February 2013. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/girls-women-new-education-project-to-transform-lives>

³⁶⁸² UK to Provide Additional Support to Tackle HIV and AIDS in Malawi, as Well as Support for Wider Healthcare, Department of the International Development of the UK 18 March 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/new-support-to-tackle-hiv-and-aids-in-malawi>

³⁶⁸³ New British Boost for Healthcare in DR Congo, Department of the International Development of the UK 27 March 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/new-british-boost-for-healthcare-in-drc>

³⁶⁸⁴ Girls in Afghanistan are to Get Access to a Quality Education Thanks to 3 New Education Programmes, Department of the International Development of the UK 24 April 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/uk-support-to-get-250000-afghan-girls-into-education>

³⁶⁸⁵ UK to Act on Safety Standards for Workers in Bangladesh, Department of the International Development of the UK 5 June 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/uk-to-act-on-safety-standards-for-workers-in-bangladesh>

During the compliance period the UK has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The US has fully complied with the commitment on social protection floors.

During the period under review, the US continued to implement its program on rebuilding basic health services in Liberia. This project is aimed at increasing access to quality health care and at upgrading health facilities. The measures include training, building community partnerships, improving clinical standards, etc.³⁶⁸⁶ The US also supported strengthening health systems in a number of other countries, including Cambodia.³⁶⁸⁷

Just before the start of the monitoring period, on 14-15 June 2012, the Governments of the United States, India and Ethiopia together with the United Nations Children's Fund (UNICEF) convened the "Child Survival Call to Action" forum in Washington, D.C.³⁶⁸⁸ More than 160 governments, including the low-income countries, signed a pledge to renew their commitment to child survival, to eliminate all preventable child mortality in two decades. At the events technical experts from different countries worked together in nutrition, malaria, prevention of mother-to-child transmission (PMTCT) of HIV, maternal and newborn health, family planning and immunization, and other areas critical to child survival. After the event these experts have been working across their fields to identify the strategies and investments to stop preventable child deaths.³⁶⁸⁹ By June 2013, more than 400 civil society and religious organizations and over 2,000 individuals had offered their support to this project.³⁶⁹⁰

On 17 October 2012, USAID launched a project to promote early grade reading in Haiti, which is aimed at supporting the efforts of Haiti's Ministry of National Education and Vocational Training (MENFP) to increase the number of literate youth. Apart from developing materials for children and curricula that allow children to learn how to read easier, USAID provides training for more than 900 teachers.³⁶⁹¹

On 16-18 January 2013, delegates from 20 African countries, including the low-income ones, met in Addis Abeba to discuss child survival policy and scaling-up of high-impact interventions such as skilled birth attendants, newborn care, etc. The meeting was hosted by Ethiopia. Technical,

³⁶⁸⁶ Rebuilding Basic Health Services (RBHS), USAID. Date of Access: 13 February 2013. <http://liberia.usaid.gov/RBHS>.

³⁶⁸⁷ Health Systems Strengthening, USAID/Cambodia. Date of Access: 13 February 2013. <http://cambodia.usaid.gov/node/154>.

³⁶⁸⁸ Ethiopia hosts African Ministers of Health and world experts to spur gains in child survival, UNICEF 9 January 2013. Date of Access: 9 February 2013. http://www.unicef.org/media/media_67165.html.

³⁶⁸⁹ A Call to Action, A Promise Renewed. Date of Access: 9 February 2013. http://www.apromiserenewed.org/A_Call_to_Action.html.

³⁶⁹⁰ Special Event: Child Survival Call to Action One Year Later, Maternal and Child Health Integrated Program. Date of Access: 3 July 2013. <http://www.mchip.net/node/1851>.

³⁶⁹¹ USAID Launches New Early Grade Reading Project in Haiti, USAID 17 October 2012. Date of Access: 13 February 2013. <http://usaid.gov/news-information/press-releases/usaid-launches-new-early-grade-reading-project-haiti>.

logistical and communication support for the meeting was provided by the United States Agency for International Development (USAID) and UNICEF Ethiopia.³⁶⁹²

On 18 January 2013, the newly rehabilitated Health Center in Ouanaminthe, a border town in Northeast Haiti, was opened. The USAID Office of Transition Initiatives (OTI) had contributed to repairing and modernization of the facility. USAID is also providing the Ouanaminthe Health Center with integrated priority health services, including child and maternal care, family planning, treatment of HIV/ AIDS and tuberculosis.³⁶⁹³

On 13 February 2013, USAID announced a 5-year USD60 million grant to a locally-led consortium Families and Communities for the Elimination of Pediatric HIV (FACE-Pediatric HIV) in Zimbabwe. This initiative supports the National Prevention of Mother to Child Transmission (PMTCT) Program of the Ministry of Health and Child Welfare, which aims to eliminate new HIV infections of children and improve the survival of mothers and children.³⁶⁹⁴

On 21 March 2013, USAID and Higher Education for Development (HED) announced its new Women's Leadership Program in a number of developing countries, including one low-income country — Rwanda. Five universities in the United States have been selected to partner with higher education institutions in the targeted countries to promote and develop curricula and opportunities for women in business, agriculture, and education, which provides support to the main national and local development goals. The funding from USAID amounts approximately USD8.75 million.³⁶⁹⁵

In April 2013, USAID revealed its plans to launch a five-year basic education initiative to improve the reading skills of approximately 2.7 million children in Kenya by 2018. The aim of the project is to improve government capacity to implement reading-related policies, to increase community engagement and to create a sustainable national reading program in public and private schools in Kenya.³⁶⁹⁶

During the compliance period the US has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

³⁶⁹² African Leaders Meet in Ethiopia to Reduce Child Deaths, UNICEF 7 February 2013. Date of Access: 9 February 2013. <http://www.unicefusa.org/news/news-from-the-field/african-leaders-meet-in-ethiopia-on-child-survival.html>.

³⁶⁹³ Haitian Minister of Health and U.S. Ambassador Inaugurate Ouanaminthe Health Center to Improve Health Services in the North, Embassy of the United States in Port au Prince, Haiti 23 January 2013. Date of Access: 3 July 2013. <http://haiti.usembassy.gov/pr-ouanaminthe-health-center-january-23-2013.html>.

³⁶⁹⁴ US provides \$60 million to Zimbabwe's efforts to eliminate Mother to Child Transmission of HIV, USAID Southern Africa 14 February 2013. Date of Access: 3 July 2013. http://sa.usaid.gov/southern_africa/content/us-provides-60-million-zimbabwes-efforts-eliminate-mother-child-transmission-hiv.

³⁶⁹⁵ USAID and HED Announce Women's Leadership Program for Armenia, Paraguay, Rwanda, and South Sudan, USAID 21 March 2013. Date of Access: 3 July 2013. <http://www.usaid.gov/news-information/press-releases/usaaid-and-hed-announce-womens-leadership-program-armenia-paraguay>.

³⁶⁹⁶ Section C - Statement of Work, Kenya Early Grade Reading Project, USAID/Kenya Office of Education and Youth 30 April 2013. Date of Access: 3 July 2013. http://kenya.usaid.gov/sites/default/files/KEGRP_Draft_SOW_-_30_April_2013.pdf.

European Union: +1

The European Union has fully complied with the commitment on social protection floors.

On 8 November 2012, EU Commissioner for Development Andris Piebalgs announced EUR42 million program for rehabilitating health centres, providing medical equipment, training health staff and other activities aimed at improving health services in Liberia.³⁶⁹⁷

On 21 December 2012, the European Union and the Republic of Guinea signed an agreement for cooperation. In the framework of the agreement the European Development Fund will provide EUR174.3 million for Guinea development, including EUR20 million for health services.³⁶⁹⁸

On 28 January 2013, the European Commission and Afghan Minister of Finance Omar Zakhilwal signed two financing agreements worth EUR185 million to support new programs with one of them in the healthcare sphere. The health program will provide basic health care for 14 million people (almost half of the population) in Afghanistan. It will also support the Ministry of Public Health in ensuring the implementation of the national health strategy “Health for all Afghans.”³⁶⁹⁹

On 6 June 2013, the European Commission announced that it will invest EUR3 million to complete the construction of two important hospitals in Mozambique.³⁷⁰⁰

On 25 September 2012, the EU has decided to provide additional support to the African Union Mission in Somalia — an African Union-led mission, mandated by the UN Security Council (AMISOM). EU support will include medical care.³⁷⁰¹

During the compliance period EU has taken actions to assist LICs in capacity building for implementing nationally determined social protection floors bilaterally and multilaterally. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

³⁶⁹⁷ New EU Support to Save Lives of Mothers in Liberia, European Commission 8 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1186_en.htm

³⁶⁹⁸ The European Union Resumes Development Cooperation with Guinea, European Commission 21 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1401_en.htm

³⁶⁹⁹ Afghanistan: New EU Funding to Improve Health Services for 14 million People and Support Farmers, European Commission 28 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-13-58_en.htm

³⁷⁰⁰ EU Supports Mozambique's Path to Development, European Commission 6 June 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-508_en.htm

³⁷⁰¹ Towards a Better Future for Somalia: EU Gives New Support to the African Union Mission, European Commission 25 September 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-998_en.htm

17. Development: Inclusive Green Growth

Commitment [#88]

“We commit to continue to help developing countries sustain and strengthen their development through appropriate measures, including those that encourage inclusive green growth.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy		0	
Japan			+1
Korea			+1
Mexico			+1
Russia		0	
Saudi Arabia		0	
South Africa		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score		0.80	

Background

G20 leaders first made commitments regarding green and sustainable recovery at the London Summit in 2009. They reiterated the commitment to move to greener sustainable growth, develop energy efficiency and clean energy technologies at the G20 Summits in Pittsburgh and Toronto. At the Pittsburgh Summit in 2009 the G20 leaders also agreed to stimulate investment in clean energy, renewables, and energy efficiency and provide financial and technical support for such projects in developing countries, as well as to take steps to facilitate diffusion or transfer of clean energy technology including by conducting joint research and building capacity.³⁷⁰²

At the Seoul Summit in 2010 the G20 leaders reaffirmed their general commitment to promote sustainable growth and agreed to take steps to create enabling environments conducive to the

³⁷⁰² The Leaders Statement: The Pittsburgh Summit, September // G20 Information Centre. 25.09.2009. URL: <http://www.g8.utoronto.ca/g20/2009/2009communique0925.html>. (date of access 18.10.2010).

development and deployment of energy efficiency and clean energy technologies in G20 countries and beyond.³⁷⁰³

The commitment was also reiterated at the Cannes Summit in November 2011. The leaders reaffirmed their commitment to support the development of clean energy and energy efficient technologies.³⁷⁰⁴

Commitment Features

The commitment requires G20 members to take steps to promote sustainable development by encouraging green growth in developing countries. A Toolkit of Policy Options to Support Inclusive Green Growth, submitted to the G20 Development Working Group by the AfDB, the OECD, the UN and the World Bank, contains the typology of tools to promote green growth. Although this set of tools, according to the authors of the report, is not definitive and is subject to regular updating, it provides a list of possible actions aimed at promoting green growth in developing countries.³⁷⁰⁵

Members' actions may also include the measures outlined in the OECD's Tools for Delivering on Green Growth, which proposes policy options to address the challenges of the green growth in developing and the least-developed countries. Among them are:

For developing countries:

- Shifting away from carbon-intensive infrastructure and promoting energy and material-efficient technologies;
- Strengthening government capacity;
- Technology development, diffusion and transfer;
- For least-developed countries:
 - Avoiding open-access regime of natural resources;
 - Increasing productivity of net resource use;
 - Climate risk assessment of national policy plans and programmes;
 - Investment in infrastructure to support access to markets.³⁷⁰⁶
- The members' performance on the commitment to encourage green growth in developing countries will be assessed against the two categories of actions:
- Support of / contribution to stand-alone projects (including direct investment to infrastructure, energy technologies development, natural resource use, etc.);

³⁷⁰³ The Seoul Summit Document, 12 November 2012. <http://www.g8.utoronto.ca/g20/2010/g20seoul-doc.html>.

³⁷⁰⁴ Cannes Summit Final Declaration, 4 November 2011. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>.

³⁷⁰⁵ A Toolkit of Policy Options to Support Inclusive Green Growth, G20 2012. http://g20mexico.org/images/stories/canalfinan/deliverables/development_cooperation.pdf.

³⁷⁰⁶ Tools for Delivering on Green Growth, OECD 2011. Date of Access: 24.12.2012. <http://www.oecd.org/greengrowth/48012326.pdf>.

- Strengthening developing countries’ national capacities for inclusive green growth (including implementing national programs, regulation and legislation development, sharing best practices, providing training, education, technology development, diffusion and transfer, etc.).

To register full compliance a member needs to strengthen a developing country’s capacity to develop in a sustainable way and achieve inclusive green growth through a comprehensive approach. Implementing and supporting stand-alone projects, whether they are completely aimed at promoting green growth or includes green elements, counts as a partial compliance.

Scoring Guidelines

-1	Member does not take steps to promote green growth in developing countries.
0	Member takes steps to promote green growth in developing countries through implementing or support of stand-alone projects BUT not through strengthening national capacities.
+1	Member takes steps to promote green growth in developing countries through strengthening national capacities.

Lead Analyst: Andrei Sakharov

Argentina: +1

Argentina has fully complied with the commitment on encouraging inclusive green growth in developing countries.

Argentina has taken actions to implement or participate in stand-alone green projects in developing countries.

On 25 June–6 July 2012, the experts from Argentinian National Institute of Industrial Technology (INTI) launched the project “Methodology and Application of Energy Assessment” in San Salvador in cooperation with Salvador National Administration of Water Supply (ANDA). The project is aimed to analyze the possible measures for rational use the energy in water systems across the country as well as renewable energy development. The project includes the training seminars and meetings to analyze energy saving potential in Salvador.³⁷⁰⁷

Argentina has taken actions to strengthen developing countries’ capacities for inclusive green growth.

On 10-14 July 2012, the Uruguayan officials visited Argentinian National Institute of Agricultural Technologies (INTA) for training in the framework of the project “Diagnostic Tools for the Economic and Sustainable Restoration of Native Grasslands.” The project is aimed at developing better management of natural grasslands deteriorated as result of the intensification of cattle farming.³⁷⁰⁸

On 27 September 2012, the delegation of Namibia visited the Argentinian Center of Investigations in Agro-business (CIA). The director of CIA research center on climate and water

³⁷⁰⁷ El Salvador: Strengthening in the Management of Energy Resources, Argentine South-South and Triangular Cooperation Fund 21 June 2012. Date of Access: 26 January 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=140>.

³⁷⁰⁸ Uruguay: Native grasslands restoration, Fondo Argentino de Cooperacion Sur-Sur y Triangular 27 December 2012. Date of Access: 26 January 2012. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=154>.

resources presented the systems of climate change control and interactive platforms for farmers to discuss these issues.³⁷⁰⁹

On 15-26 October 2012, General Directorate of International Cooperation (DGCIN) of the Argentinian Ministry of Foreign Affairs with the Ministry of Social Development, the Ministry of Agriculture and Japan International Cooperation Agency (JICA) organised Fourth International Course of Self-Production of Fresh Food, Food Security and Local Development in Buenos Aires, Argentina. 17 agricultural engineers from 10 countries: Angola, Cuba, Ecuador, Grenada, Nicaragua, Guatemala, Haiti, Mozambique, Panama and the Dominican Republic participated in the event. The engineers visited the Argentinian provinces Buenos Aires and San Juan to observe the application of agro-ecological production technologies in gardens and small farms, water collection and distribution systems and the practices designed to ensure vulnerable social groups' participation and inclusion. The participants visited agro-ecological complex Marcos Guaymás and exchanged the experience with technical experts.³⁷¹⁰

On 18 March 2013, Argentinian National Institute of Industrial Technology (INTI) organised a workshop "Energy Efficiency for Third Countries" for 12 countries of the Latin America region on efficient energy use, life-quality improvement and environment protection. As General Director of International Cooperation Department of Argentinian Ministry of Foreign Affairs and Worship Lucila Rosso strengthened that this workshop and similar INTI meetings are aimed at exchange of positive experience of Latin American countries for developing their national capacities and sustainable development. The INTI President Ricardo del Valle declared that the countries need to develop renewable energy (solar, wind and biomass) as well as promote efficient energy use.³⁷¹¹

On 27 March 2013, Argentina and Thailand adopted a new Action Plan 2013-2015 which includes 15 projects coordinated by Argentine South-South and Triangular Cooperation Fund (FO.AR). The projects cover agricultural research, for example genetics, and environmental protection.³⁷¹² The projects are funded by Argentine Fund for South-South and Triangular Cooperation (FO.AR) and the Thailand International Cooperation Development Agency (TICA). The Argentinian Administration of National Parks provide Thailand with theoretical and practical tools to preserve biodiversity in the protected areas as well as share experience in sustainable management of tourism (for example in the framework of the Project #6190).³⁷¹³ The Argentinian National Department of Health and Food Quality (SENASA) developed a plan aimed at improving the integrated management effectiveness in pest control and Geographic Information Systems (GIS) implication within the project #6193. The Argentinian experts will organise the

³⁷⁰⁹ Un Futuro Promisorio entre Argentina y Namibia, Instituto Nacional de Tecnología Agropecuaria 27 September 2012. Date of Access: 18 January 2013. <http://inta.gob.ar/noticias/un-futuro-promisorio-entre-argentina-y-namibia/>.

³⁷¹⁰ Argentina: Strong boost for food security and local development, Argentine South-South and Triangular Cooperation Fund 18 January 2013. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=173&lang=EN>.

³⁷¹¹ América Latina y el Caribe trabajan en pos del uso eficiente de la energía en la industria, INTI official site 18 March 2013. Date of Access: 2 July 2013. http://www.inti.gob.ar/payci/americalatina_caribe.htm.

³⁷¹² Argentina Y Tailandia Triplican Su Cooperación Sur-Sur, Argentine South-South and Triangular Cooperation Fund 27 March 2013. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=178>.

³⁷¹³ 6190 Tailandia - Conservación de la biodiversidad y la gestión del turismo de naturaleza en áreas protegidas, Argentine South-South and Triangular Cooperation Fund. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/proyecto.php?id=198>.

workshops and training courses for 10 Thai officials who will in turn train 190 Thai experts and 60 000 small farmers.³⁷¹⁴ The Argentinian Ministry of Agriculture with support of the National Institute of Agricultural Technologies (INTA) in cooperation with Thai National Center of Genetic Engineering and Biotechnologies developed a joint project to increase a production of tomatoes and rice without environmental damaging effects.³⁷¹⁵ The Argentinian National Institute of Agricultural Technologies (INTA) release the project #6200 aimed at effective pasture management. The Argentinian experts will instruct 18 officials form Thai Ministry of Agriculture within this project.³⁷¹⁶

On 5 June 2013, Argentina and Nicaragua announced that 16 projects will be launched in the next two years to develop the production of dairy products, livestock, and improve “nets providing water and artisan fishing.”³⁷¹⁷ INTA also releases agro biotechnology program for Nicaragua to implement environmentally friendly cattle breeding techniques.³⁷¹⁸

During the compliance period Argentina has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1

Analyst: Elizaveta Safonkina

Australia: +1

Australia has fully complied with the commitment on inclusive green growth.

Australia has taken actions to strengthen developing countries’ capacities for inclusive green growth.

On 20 June 2012, Australia became one of the founding partners of the Global Green Growth Institute (GGGI).³⁷¹⁹ The GGGI is an interdisciplinary, multi-stakeholder international organization devoted to the task of diffusing green growth model and simultaneously address other issues such as poverty reduction, job creation and social inclusion, environmental sustainability, access to clean energy and water.³⁷²⁰

³⁷¹⁴ 6193 Tailandia - Capacitación sobre Manejo Integrado de Plagas (IPM) y Aplicación de Sistemas de Información Geográfica (GIS), Argentine South-South and Triangular Cooperation Fund. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/proyecto.php?id=197>.

³⁷¹⁵ 6172 - Tailandia - Capacitación en el uso de RNAi o técnicas asociadas en plantas de biotecnología, Argentine South-South and Triangular Cooperation Fund. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/proyecto.php?id=199>.

³⁷¹⁶ 6200 Tailandia Capacitación Intensiva en utilización de pasturas para el mejoramiento del ganado vacuno, Argentine South-South and Triangular Cooperation Fund. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/proyecto.php?id=200>.

³⁷¹⁷ La Argentina y Nicaragua relanzan su Cooperación Sur-Sur, Argentine South-South and Triangular Cooperation Fund 5 June 2013. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/noticia.php?id=192>.

³⁷¹⁸ 5921 - NICARAGUA - Development of cattle in dry climates, Argentine South-South and Triangular Cooperation Fund. Date of Access: 30 June 2013. <http://www.foargentina.cancilleria.gov.ar/proyecto.php?id=48>.

³⁷¹⁹ Australia signs treaty establishing the Global Green Growth Institute, Prime Minister of Australia 20 June 2012. Date of Access: 22 February 2012. <http://www.pm.gov.au/press-office/australia-signs-treaty-establishing-global-green-growth-institute>.

³⁷²⁰ Overview, Global Green Growth Institute. Date of Access: 22 February 2013. <http://www.gggi.org/about/overview>.

In June 2012, Australia announced an additional USD8 million in funding for the Coral Triangle Initiative (CTI), increasing Australia's total commitment to over USD13 million. The CTI is a regional development partnership between the Governments of Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor Leste. The initiative aims inter alia to support governments' efforts to achieve sustainable use of marine resources as one of the key factors in the region's economic development.³⁷²¹

On 23 August 2012, Ewen McDonald, Deputy Director General of the Australian Agency for International Development (AusAID) was appointed co-chair of the Green Climate Fund.³⁷²² The Green Climate Fund aims to assist developing countries in achieving sustainable economic growth and adapting to climate change.³⁷²³

At the Pacific Energy Summit held on 24-26 March 2013 in Auckland, New Zealand, Australia announced USD3.2 million, through the World Bank, for the installation of solar panels in Kiribati.³⁷²⁴

On 14 May 2013, the Australian Government announced Australia's International Development Assistance Program for 2013–14. One of its strategic priorities is helping developing countries adapt to climate change and protect environment. Australia will help Vanuatu build national renewable energy program, support Vietnam in meeting its voluntary commitment to reduce greenhouse gas emissions through improvements in energy efficiency, and partner with World Bank to strengthen Tonga's renewable energy sector.³⁷²⁵

Australia is involved in projects aimed at strengthening developing countries' capacities for inclusive green growth. Thus, it is awarded a score of +1.

Analysts: Andrei Sakharov and Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment to encourage inclusive green growth in developing countries.

Brazil has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 20 — 22 June 2012, Brazil hosted United Nations Conference on Sustainable Development. Green economy in the context of sustainable development and eradicating poverty and

³⁷²¹ Coral Triangle Initiative, AusAID 11 September 2012. Date of Access: 12 March 2013. <http://www.ausaid.gov.au/aidissues/environment/Pages/economic-growth-init4.aspx>.

³⁷²² GCF Inaugural Board Meeting Elects Co-Chairs, Agrees on Process for Selecting Host, International Institute for Sustainable Development 25 August 2012. Date of Access: 12 March 2013. <http://climate-iiisd.org/news/gcf-inaugural-board-meeting-elects-co-chairs-agrees-on-process-for-selecting-host/>.

³⁷²³ Australia appointed co-chair of the Green Climate Fund Board, AusAID 23 August 2012. Date of Access: 12 March 2013. <http://www.ausaid.gov.au/MediaReleases/Pages/Australia-appointed-co-chair-of-the-Green-Climate-Fund-Board.aspx>.

³⁷²⁴ Energy Summit promotes renewable energy in the Pacific, AusAID 5 April 2013. Date of Access: 13 July 2013. <http://www.ausaid.gov.au/HotTopics/Pages/Display.aspx?QID=1086>

³⁷²⁵ Australia's International Development Assistance Program 2013–14 – Country and regional programs, AusAID 14 May 2013. Date of access: 14 July 2013. <http://www.ausaid.gov.au/Publications/web/australias-international-development-assistance-program-2013-14/Pages/country-and-regional-programs.aspx>

institutional framework were the key topics at the Rio+20 Conference.³⁷²⁶ Brazil shared its best practice with participating countries and presented a number of initiatives aimed at sustainable development and green growth.³⁷²⁷

During the conference, Brazil signed a trilateral agreement with Italy to promote the diffusion of sustainable energy in the world, especially in developing countries.³⁷²⁸

As a result of Rio+20, Brazil announced the creation of the World Center for Sustainable Development (Rio+ Center) to facilitate research, knowledge exchange and promote international debate about sustainable development. The Center will build on the already existing success of the partnership between the Brazilian Government and UNDP on promoting the dialogue between countries of the South, through policies of protection and social inclusion, innovation, development, rural issues and sustainable development in general.³⁷²⁹

On 23 January 2013, United Nations General Assembly established a 30-country Open Working Group on Sustainable Development Goals to follow up on outcome document of Rio+20 conference «The Future We Want». Brazil facilitated the creation of the Group.³⁷³⁰

In the framework of United Nations Sustainable Development Knowledge Platform, Brazil submitted a number of Green economy policies and initiatives, including Sustainability Agenda in 2012.³⁷³¹

During the compliance period Brazil has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with the commitment on inclusive green growth.

Canada has taken actions to strengthen developing countries' capacities for inclusive green growth.

³⁷²⁶ About the Rio+20 Conference // The official website of the the United Nations Conference on Sustainable Development Rio+20. URL: <http://www.uncsd2012.org/about.html> (date of access: 12.02.2013).

³⁷²⁷ Brazilian good practices in the context of sustainable development and poverty eradication // The United Nations Conference on Sustainable Development Rio +20. URL: <http://www.rio20.gov.br/en/brazil/boas-praticas.1.html>

³⁷²⁸ http://www.rio20.gov.br/en/press_room/noticias-nacionais/italia-firma-acordo-com-brasil-para-exportar-energia-sustentavel.html (date of access: 10.02.2013).

³⁷²⁹ Rio will host the World Centre for Sustainable Development // The United Nations Conference on Sustainable Development Rio +20. 22.06.2012. URL: http://www.rio20.gov.br/en/press_room/noticias-nacionais/rio-sera-sede-de-centro-mundial-para-o-desenvolvimento-sustentavel.html (date of access: 10.02.2013).

³⁷³⁰ General Assembly creates group to work on sustainable development goals // United Nations News Centre. 22.01.2013. URL: <http://www.un.org/News/Press/docs//2013/ga11338.doc.htm> , <http://www.un.org/apps/news/story.asp?NewsID=43981> (date of access: 10.02.2013).

³⁷³¹ Voluntary initiatives for Sustainable Development // United Nations Sustainable Development Knowledge Platform. URL: <http://sustainabledevelopment.un.org/index.php?section=1004&type=12&page=view&nr=391&menu=1348&str=&59=on> (date of access: 10.02.2013).

Canadian International Development Agency (CIDA) promotes energy efficiency in Latin American and Caribbean countries through Canadian Climate Fund for the Private Sector in the Americas. The Fund's primary goal is to support and scale-up projects across the region "that are focused on renewable energy, energy efficiency, reducing greenhouse gas emissions, and that help countries to adapt to the adverse impacts of climate change." CIDA's total contribution to the fund amounts to approximately USD250 million and is expected to leverage up to USD5 billion in private sector investment and contribute to cutting greenhouse gas emissions by up to 50 million tonnes. The fund is to be operational until 2025.³⁷³²

CIDA's "Sustainable and Efficient Management of Peru's Energy Resources" project, operational from 2012 to 2016, aims to strengthen the capacity of the Peruvian Government to plan and manage energy resources efficiently and in a sustainable manner through providing support and technical assistance to the implementation of the Peruvian National Energy Policy aimed at improving the planning in energy sector, enhancing the use of renewable energy sources and strengthening the capacity of parastatal institutions involved in the sector.³⁷³³

Another project that CIDA is involved in, "Sustainable Energy Access for the Latin American and Caribbean Region" is aimed at providing improved access to sustainable

Canada is involved in projects aimed at strengthening developing countries' capacities for inclusive green growth. Thus, it is awarded a score of +1.

Analyst: Andrei Sakharov

China: +1

China has fully complied with the commitment on encouraging inclusive green growth in developing countries.

China has taken actions to implement or participate in stand-alone green projects in developing countries.

On 21 July 2012, China and Kenya signed five memorandums "for International Economic and Technical Cooperation on projects of upgrading Kenya's highways and the construction of diesel-solar hybrid power supply system."³⁷³⁴

On 20 June 2013, China concluded Training Course on Renewable Energy for Developing Countries in Changsha. Twenty-four developing countries participated in this training course

³⁷³² Canadian Climate Fund for the Private Sector in the Americas, Canadian International Development Agency 20 July 2012. Date of Access: 19 February 2013. <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/vLUWebProjEn/8781F368CCAA8251852579C70035BF7C?OpenDocument>.

³⁷³³ Sustainable and Efficient Management of Peru's Energy Resources, Canadian International Development Agency 26 April 2012. Date of Access: 19 February 2013. <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/vLUWebProjEn/4AD724164EABC4AD852579D20035A853?OpenDocument>.

³⁷³⁴ Kenya clinches 8 cooperative documents with E. China's Jiangxi, Ministry of Foreign Affairs, the People's Republic of China 21 July 2012. Date of Access: 11 February 2013. <http://www.fmprc.gov.cn/zflt/eng/jlydh/dfwl/t954785.htm>

where discussed the questions like cooperation on human resource development and extension of the practical technology training for formal schooling.³⁷³⁵

China has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 15 August 2012, there was Publication of Wind Power and Solar Energy Master Plan and also Signing Ceremony of the Memorandum of Understanding for Hydropower Potential General Survey of Ethiopia in Addis Ababa. This plan "was conducted and delivered to Ethiopia by Hydro-China Corporation with the financial support from the Chinese government. As a result of this research Ethiopia owns very rich wind and solar energy resources that can be exploited as renewable energy mix in the coming decades to implement the recently issued Climate-Resilient Green Economy strategy with respect to energy development. The potential installed capacity of over 1.3 million MW from wind resource and an annual total solar energy reserve of over 2 million TW.h."³⁷³⁶

During the compliance period China has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its commitment on green growth.

France has taken actions to implement or participate in stand-alone green projects in developing countries.

On 25 February 2013, French Investment and Promotions company for Economic Cooperation PROPARCO allocated USD38.5 million loan to finance the construction and operation of a wind farm in Uruguay. PROPARCO has coordinated the entire USD88.5 million project, by involving Dutch development bank and German Investment and Development Corporation.³⁷³⁷

On 23 April 2013, Andris Piebalgs, Member of the EC in charge of Development, and Lamoussa Salif Kaboré, Burkinabe Minister for Mines, Quarries and Energy, participated in a signing ceremony of the financing agreement to support the construction of a solar power plant in Burkina Faso. USD81.9 million project is co-financing by AFD, European Investment Bank and EU.³⁷³⁸

On 28 June 2013. PROPARCO has announced the signing of a USD25 million senior loan to finance two solar power plants in the mining region in Northern Chile. These two plants,

³⁷³⁵ Technicians from Developing Countries Study Renewable Energy Technologies in Hunan, Changsha Municipal People's Government Organizer, 20 June 2013. Date of Access: 6 July 2013. http://en.changsha.gov.cn/About/Local/201206/t20120623_338354.html

³⁷³⁶ Ethiopia-China cooperation in power sector registers remarkable achievement: Minister, Ministry of Foreign Affairs, the People's Republic of China 15 August 2012. Date of Access: 11 February 2013. <http://www.fmprc.gov.cn/zflt/eng/zxxx/t960931.htm>

³⁷³⁷ PROPARCO supports wind energy development in Uruguay, PROPARCO 25 February 2013. Date of Access : 31 March 2013. http://www.proparco.fr/lang/en/Accueil_PROPARCO/Publications-Proparco/News_PROPARCO .

³⁷³⁸ Potentiel solaire du Burkina Faso et cofinancement des bailleurs européens : une combinaison gagnante. AFD 23 April 2013. Date of Access: 8 July 2013. <http://www.afd.fr/site/afd/resultsForTagSearch?engineName=search&requestedCategories=BF>

developed and owned by Solarpack Chile are Chile's first operational solar projects of such a scale.³⁷³⁹

France has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 15 November 2012, PROPARGO signed the USD30.2 million loan with Khi Solar One to finance solar power plant in South Africa. The project supports the South Africa's Renewable Energy Independent Power Producer Procurement Programme, designed to achieve government goals to develop renewable energy sources.³⁷⁴⁰

During the compliance period France has taken actions to promote green growth in developing countries through strengthening their national capacities and participating in stand-alone green projects. Thus, it has been awarded a score of +1.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on encouraging inclusive green growth in developing countries.

Germany has taken actions to implement or participate in stand-alone green projects in developing countries.

On 19 November 2012, KfW Entwicklungsbank, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), signed a loan agreement with the Moroccan Agency for Solar Energy (MASEN) amounting to EUR100 million (USD130 million) for the first large solar-thermal power plant in Morocco. According to Dr Norbert Kloppenburg, member of the Executive Board of KfW Bankengruppe, constructing this power plant Morocco will reduce the country's high dependence on energy imports.³⁷⁴¹

On 14 December 2012, KfW Entwicklungsbank (KfW development bank), as part of KfW Bankengruppe (KfW banking group), acting on behalf of the German Federal Ministry for Economic Cooperation and Development, and the Brazilian energy company Companhia Energética de Minas Gerais (CEMIG) signed a loan agreement for EUR10 million (USD13 million) for the project "Solar World Cup 2014." The generated electricity will be fed into the grid. This way the Brazilian consumers will benefit from electricity generated without harming the environment or the climate.³⁷⁴²

On 11 April 2013, Gudrun Kopp, German Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development, signed an agreement with his Indian counterparty

³⁷³⁹ PROPARGO finances Chile's first solar power projects, PROPARGO 28 Jun 2013. Date of Access: 8 July 2013. http://www.proparco.fr/lang/en/Accueil_PROPARGO/Publications-Proparco/News_PROPARGO

³⁷⁴⁰ Développement de l'énergie solaire en Afrique du Sud, L'Agence Française de Développement (AFD) 15 November 2012. Date of Access : 31 March 2013. http://www.afd.fr/home/projets_afd/infrastructures_energie/Energie/ctnscroll_ActualitesList/6_12

³⁷⁴¹ Energy turnaround in Morocco, KfW Bankengruppe 19 November 2012. Date of access: 2 February 2013. http://www.kfw.de/kfw/en/KfW_Group/Press/Latest_News/PressArchiv/2012/20121119_59234.jsp

³⁷⁴² Solar World Cup 2014 brings energy turnaround to Brazil, KfW Bankengruppe 14 December 2012. Date of access: 2 February 2013. http://www.kfw.de/kfw/en/KfW_Group/Press/Latest_News/PressArchiv/2012/20121214_59570.jsp

as a part of the Indo-German government consultations. In the Joint Declaration of Intent, Germany pledges USD1,3 billion to the Indian Ministry of New and Renewable Energy for the period of 2014 to 2020. The funding is to be used for advisory services and for loans at near-market terms, with the purpose of jointly developing technical solutions for improved grid integration (smart grids) and accelerating the expansion of India's power grid. The focus of agreement will be on programmes in support of renewable energy and energy efficiency, adaptation to climate change, and support for environmentally beneficial urban infrastructure development.³⁷⁴³

Germany has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 10 September 2012, the Federal Environment Ministry has announced an increase in assistance for climate policy in Philippines by another EUR3 million (USD3.9 million). The new assistance is aiming to improve framework conditions for renewable energy in Philippines.³⁷⁴⁴

On 11 October 2012, Germany and Viet Nam signed a new Financial Cooperation agreement. It comprises EUR272 million (USD353.6 million), most of which will go towards vocational training, environmental protection and energy programmes.³⁷⁴⁵

On 12 October 2012, at the World Bank Annual Meeting German Development Minister Dirk Niebel and World Bank President Jim Yong Kim presented a joint initiative that would make it easier for developing countries to make quick and effective use of funding provided by the Green Climate Fund (GCF). In addition to that Germany made available another EUR10 million (USD13 million). This funding is intended for strategic advice to developing countries on climate change mitigation and adaptation.³⁷⁴⁶

On 4 December 2012, Parliamentary Secretary Katherina Reiche for the German Government and Secretary of State of the Dominican Republic, Omar Ramirez-Tejada, signed an agreement to cooperate on the implementation of the Climate Compatible Development Plan of the Dominican Republic. The German Government plans to contribute EUR4.5 million (USD5.85 million) to this

³⁷⁴³ BMZ announces that it will provide one billion euros in support of expansion of renewable energy in India, Federal Ministry for Economic Cooperation and Development 11 April 2013. Date of access: 3 July 2013. http://www.bmz.de/en/press/aktuelleMeldungen/2013/april/130411_pm_67_BMZ-announces-that-it-will-provide-one-billion-euros-in-support-of-expansion-of-renewable-energy-in-India/index.html

³⁷⁴⁴ Germany and the Philippines expand cooperation on climate protection and renewable energies, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 11 September 2012. Date of access: 9 October 2012. http://www.bmu.de/english/current_press_releases/pm/49180.php

³⁷⁴⁵ 272 million euros for Viet Nam, Federal Ministry for Economic Cooperation and Development 11 October 2012. Date of access: 15 October 2012. http://www.bmz.de/en/press/aktuelleMeldungen/2012/October/20121011_pm_241_vietnam/index.html

³⁷⁴⁶ Dirk Niebel, World Bank President Kim present climate initiative, Federal Ministry for Economic Cooperation and Development 12 October 2012. Date of access: 15 October 2012. http://www.bmz.de/en/press/aktuelleMeldungen/2012/October/20121012_pm_243_klimainitiative/index.html

project, which is intended to start in 2013 and aims to reduce 25% of the Dominican Republic's absolute 2010 emissions.³⁷⁴⁷

On 6 December 2012, during the climate negotiations in Doha the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Department of Energy and Climate Change of the United Kingdom launched the "NAMA Facility," for which both countries will jointly provide about EUR70 million (USD91 million) of funding. The NAMA Facility is designed to support developing countries that show strong leadership in tackling climate change and want to implement transformational Nationally Appropriate Mitigating Actions (NAMA). Transformational NAMAs are projects, policies, or programmes that shift a whole technology or sector in a country onto a low-carbon development trajectory. Developing countries are preparing NAMAs as part of their national strategies.³⁷⁴⁸

On 14 January 2013, Germany and China signed a bilateral Memorandum of Understanding pledging to cooperate on the expansion of renewable energy between the Federal Environment Ministry and the China's National Energy Administration (NEA). With this agreement both countries are to work together on energy policy, the issue of system integration, environmental impacts and model projects such as China's "new energy cities" to overcome structural bottlenecks in the expansion of renewable energy in China.³⁷⁴⁹

On 17 January 2013, Federal Environment Minister Peter Altmaier and deputy chair of China's National Energy Administration (NEA) Liu Qi signed a bilateral Memorandum of Understanding pledging future cooperation on the expansion of renewable energies between the Federal Environment Ministry and the NEA. With this agreement both countries are to work together on energy policy, the issue of system integration, environmental impacts and model projects such as China's "new energy cities" to overcome structural bottlenecks in the expansion of renewable energies in China.³⁷⁵⁰

On 26 February 2013, Federal Environment Minister Peter Altmaier and his Armenian colleague Aram Harutyunyan signed a joint declaration on cooperation in the environmental sector. The focus of cooperation will continue to be bringing Armenia's environmental standards closer to those of the European Union. For this purpose the Federal Environment Ministry and the Ministry

³⁷⁴⁷ Germany and The Dominican Republic will implement the second phase of the Climate Compatible Development Plan (CCDP), Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 4 December 2012. Date of access: 17 January 2013. http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/germany-and-the-dominican-republic-will-implement-the-second-phase-of-the-climate-compatible-development-plan-ccdp/?tx_ttnews%5BbackPid%5D=103&cHash=210dd29325093e3466938cca02a9cf0e

³⁷⁴⁸ Germany and the United Kingdom launch "NAMA Facility" in Doha, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 6 December 2012. Date of access: 17 January 2013. http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/germany-and-the-united-kingdom-launch-nama-facility-in-doha/?tx_ttnews%5BbackPid%5D=82

³⁷⁴⁹ New partnership for global transformation of energy systems, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 14 January 2013. Date of access: 3 July 2013. [http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/neue-partnerschaft-fuer-die-globale-energiende/?tx_ttnews\[backPid\]=103&cHash=f999e69845b36d405507ebce72b45a83](http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/neue-partnerschaft-fuer-die-globale-energiende/?tx_ttnews[backPid]=103&cHash=f999e69845b36d405507ebce72b45a83)

³⁷⁵⁰ New partnership for global transformation of energy systems, Federal Ministry for the Environment, Nature Conversation and Nuclear Safety 17 January 2013. Date of access: 31 January 2013. http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/neue-partnerschaft-fuer-die-globale-energiende/?tx_ttnews%5BbackPid%5D=103&cHash=f999e69845b36d405507ebce72b45a83

of Nature Protection of the Republic of Armenia launched a twinning project financed by the EU. The two-year project serves to prepare for the introduction of EU provisions on integrated prevention and reduction of pollution through industrial emissions and also to improve the competitive position of Armenian companies.³⁷⁵¹

On 1 June 2013, on the invitation of Federal Environment Minister Peter Altmaier, high-level representatives from 10 countries have gathered in Berlin to establish the Renewables Club. The founding members were China, Denmark, France, Germany, India, Morocco, South Africa, Tonga, United Arab Emirates, United Kingdom. The event also attended Adnan Amin Director-General of the International Renewable Energy Agency (IRENA). Their common goal is to scale up the deployment of renewable energy worldwide.³⁷⁵²

During the compliance period Germany has taken actions to promote green growth in developing countries through strengthening their national capacities and participating in stand-alone green projects. Thus, it has been awarded a score of +1.

Analyst: Julia Ovchinnikova

India: +1

India has fully complied with the commitment on encouraging inclusive green growth in developing countries.

India has taken actions to implement or participate in stand-alone green projects in developing countries.

On 15-18 November 2012, delegation of the Indian Ministry of New and Renewable Energy visited Egypt. The aim of the visit was to launch a joint project of village electrification in Siwa oasis using solar energy.³⁷⁵³

India has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 3 August 2012, the first meeting of the India-Bangladesh Joint Working Group on Renewable Energy Cooperation was held in New Delhi. Both sides identified five areas of cooperation in the field of energy efficiency: information exchange, institutional support, technical support, capacity building, and research and development. Representative of Indian Ministry of New and

³⁷⁵¹ Germany and the Republic of Armenia sign joint declaration on cooperation in the environmental sector, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 26 February 2013. Date of access: 3 July 2013. <http://www.bmu.de/en/topics/europe-international/international-environmental-policy/germany-and-the-republic-of-armenia-sign-joint-declaration-on-cooperation-in-the-environmental-sector/>

³⁷⁵² Representatives from ten pioneering countries establish Renewables Club, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety 1 June 2013. Date of access: 3 July 2013. [http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/vertreter-aus-zehn-vorreiterlaendern-gruenden-club-der-energie-wende-staaten/?tx_ttnews\[backPid\]=103&cHash=7297b88911e274a56dbd1e53acba87b2](http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/pm/artikel/vertreter-aus-zehn-vorreiterlaendern-gruenden-club-der-energie-wende-staaten/?tx_ttnews[backPid]=103&cHash=7297b88911e274a56dbd1e53acba87b2)

³⁷⁵³ Annual Report 2012-2013, Ministry of External Affairs of India 14 March 2013. Date of Access: 29 March 2013. http://mea.gov.in/Uploads/PublicationDocs/21385_Annual_Report_2012-2013_English.pdf.

Renewable Energy invited professions from Bangladesh to take part in the specialized training programme on energy efficiency in India.³⁷⁵⁴

On 6 November 2012, the Indian Minister of New and Renewable Energy and the Malaysian Minister of Energy, Green Technology and Water Data Sri Peter Chin Fah Kui signed a Memorandum of Understanding (MoU) on renewable energy cooperation between the two countries. Under the MoU, a Joint Working Group will be established to facilitate joint research projects, training and the exchange of personnel, technologies and data transfer in the area of energy efficiency and renewable energy.³⁷⁵⁵

On 14 November 2012, India and Belarus signed a MoU on renewable energy cooperation. One of the main objectives of this document is “to encourage and promote technical bilateral cooperation on new and renewable energy issues.”³⁷⁵⁶

During the compliance period India has taken actions to promote green growth in developing countries through both implementing stand-alone projects and strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Indonesia: +1

Indonesia has fully complied with the commitment on encouraging inclusive green growth in developing countries.

Indonesia has taken actions to strengthen developing countries’ capacities for inclusive green growth.

On 12 November 2012, Director General for Information and Public Diplomacy of Indonesian Foreign Ministry Abdurrahman Mohammad Fachir took part in the International Workshop on Energy and Mineral Resources Management for Myanmar, held in Jakarta. He announced that since 2011-2012 Indonesia had implemented 12 capacity building programs for Myanmar, including the current program on energy security. In the framework of this program, Indonesian experts share their experience on energy and mineral resources management with the officials from Myanmar.³⁷⁵⁷

On 5-7 December 2012, Indonesian and Tanzanian officials took part in the Indonesia-Tanzania Agriculture Joint Cooperation Committee (JACC) II. This project was established in 2010 to

³⁷⁵⁴ Bangladesh-India Meeting on Cooperation in Renewable Energy, Sustainability Outlook 7 August 2012. Date of Access: 29 March 2012. <http://www.sustainabilityoutlook.in/news/bangladesh-india-meeting-cooperation-renewable-energy>.

³⁷⁵⁵ India and Malaysia Agreed to Promote Cooperation in Renewable Energy, Press Information Bureau, Government of India 7 November 2012. Date of Access: 29 March 2012. <http://pib.nic.in/newsite/erelease.aspx?relid=88936>.

³⁷⁵⁶ Memorandum of Understanding on India-Belarus Renewable Energy Cooperation, Indian Ministry of New and Renewable Energy 14 November 2012. Date of Access: 29 March 2012. <http://mnre.gov.in/mous/mou-belarus.pdf>.

³⁷⁵⁷ RI Supports Myanmar’s Energy Security, Ministry of Foreign Affairs of Indonesia 12 November 2012. Date of Access: 13 February 2013. <http://www.deplu.go.id/Pages/News.aspx?IDP=5919&l=en>.

stimulate bilateral cooperation in agricultural sector.³⁷⁵⁸ Deputy Permanent Secretary of Tanzanian Ministry of Agriculture, Food Security, and Cooperatives Sophia Kaduma highlighted that Indonesia provides trainings for farmers in Tanzania through the Agriculture Farmer's Rural Training Center (FARTC). Trainings are focused on different aspects of agriculture production, including introduction of new technologies and reducing pesticide use in agricultural sector.³⁷⁵⁹

On 3-4 February 2013, Indonesia took part in the first Meeting of the APEC Committee on Trade and Investment (CTI). Indonesian delegation presented the Concept Paper "Promoting Green Growth and Practical Road to Inclusive Growth: Promoting Agriculture-based Goods." This concept is a part of Indonesian efforts to promote agricultural products that help protect the environment and combat poverty within APEC.³⁷⁶⁰

During the compliance period Indonesia has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

Italy: 0

Italy has partially complied with the commitment on encouraging inclusive green growth in developing countries.

Italy has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 5 December 2012, the Ministers of Environment of Italy and Iraq, Corrado Clini and Sargon Slewa, signed in Doha, in the context of the UN Conference on Climate Change, a joint declaration on Italian-Iraqi cooperation in the environmental field. The document intends to pursue joint initiatives in the framework of bilateral cooperation: to support Iraq in the implementation of the National Strategy on Climate Change; a joint program for the reduction of emissions from oil and gas; management of natural resources (biodiversity in protected areas, with special reference to wetlands).³⁷⁶¹

During the compliance period Italy has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of 0.

Analyst: Anna Vekshina

³⁷⁵⁸ Indonesia and Tanzania Strengthens Partnership in Agriculture, Ministry of Foreign Affairs of Indonesia 14 December 2012. Date of Access: 13 February 2013. <http://www.kemlu.go.id/tokyo/Pages/News.aspx?IDP=6004&l=en>.

³⁷⁵⁹ Joint Agriculture Cooperation Committee II (JACC II) RI-Tanzania 5 – 7 Desember 2012, Ministry of Agriculture of Indonesia. Date of Access: 13 February 2013. <http://www.deptan.go.id/news/info/Berita-JACC-RI-Tanzania.pdf>.

³⁷⁶⁰ The First Meeting of the APEC CTI: Indonesia Fights for Equitable Growth in the Asia Pacific, Ministry of Trade of Indonesia 6 February 2013. Date of Access: 13 February 2013. <http://www.kemendag.go.id/files/pdf/2013/02/08/pertemuan-pertama-cti-apec-indonesia-perjuangkan-pertumbuhan-yang-adil-di-asia-pasifik-en0-1360319992.pdf>.

³⁷⁶¹ Intesa tra Italia e Iraq per rafforzare la cooperazione ambientale, Italian Ministry of Environment 5 December 2012. Date of Access: 29 January 2013. http://minambiente.it/home_it/showitem.html?lang=&item=/documenti/comunicati/comunicato_0525.html

Japan: +1

Japan has fully complied with the commitment on encouraging inclusive green growth in developing countries.

Japan has taken actions to implement or participate in stand-alone green projects in developing countries.

On 4 September 2012, JICA signed an ODA loan agreement with Brazil to provide up to JPY16.411 billion (approximately USD174.2 million) for Belem Metropolitan Trunk Bus System Project in the State of Para. The project is aimed at improving local transportation system and environmental conditions.³⁷⁶²

On 25 September 2012, JICA signed with Nigeria a Grant Aid Agreement to provide JPY980 million (approximately USD10.4 million) for the Project for Introduction of Clean Energy by Solar Electricity Generation System.³⁷⁶³

On 12 October 2012, JICA signed an ODA loan agreement with the government of Peru. According to the agreement, JICA is going to provide JPY8.77 billion (approximately USD93 million) for the Energy Renovation Infrastructure Assistance Program that is going to promote “green” technologies and improve energy efficiency in Peru.³⁷⁶⁴

On 12 April 2013, JICA reported that from January to March 2013 it had supported 5 projects that involved hydropower plant construction or rehabilitation, micro- and mini-hydropower development in such countries as Honduras, Tonga, Myanmar, Cambodia and Laos. The total amount of grants was JPY12.175 billion (approximately USD121.6 million).³⁷⁶⁵ On 21 June 2013, JICA signed another loan agreement with Laos to provide JPY5.545 billion (approximately USD55.4 million) for the Nam Ngum 1 Hydropower Station Expansion Project.³⁷⁶⁶

Japan has taken actions to strengthen developing countries’ capacities for inclusive green growth.

On 26 July 2012, METI selected 12 projects for the FY 2012 Global Warming Mitigation Technology Promotion Project that will contribute to the reduction of greenhouse gas emissions in developing countries utilizing Japanese low-carbon technology, infrastructure, and other

³⁷⁶² Signing of a Japanese ODA Loan Agreement with the Federative Republic of Brazil, Japan International Cooperation Agency 4 September 2012. Date of Access: 06 February 2013. <http://www.jica.go.jp/english/news/press/2012/120904.html>.

³⁷⁶³ List of The Grant Aid Projects, Japan International Cooperation Agency 07 November 2012. Date of Access: 06 February 2013. http://www.jica.go.jp/english/news/press/2012/c8h0vm00002dp9yy-att/121107_01_01.pdf.

³⁷⁶⁴ Signing of Japanese ODA Loan Agreements with the Republic of Peru, Japan International Cooperation Agency 12 October 2012. Date of Access: 06 February 2013. http://www.jica.go.jp/english/news/press/2012/121012_01.html.

³⁷⁶⁵ Summary of Grant Aid Agreements for the Fourth Quarter of 2012, JICA 12 April 2013. Date of Access: 10 July 2013. http://www.jica.go.jp/english/news/press/2013/130412_02.html

³⁷⁶⁶ Signing of Japanese ODA Loan Agreement with the Lao People’s Democratic Republic, JICA 21 June 2013. Date of Access: 11 July 2013. http://www.jica.go.jp/english/news/press/2013/130621_02.html.

techniques. The 12 projects include projects in Indonesia, Mongolia, Bangladesh, Vietnam, Malaysia, India and South Africa.³⁷⁶⁷

On 8 January 2013, Japan and Mongolia signed a bilateral document concerning the Joint Crediting Mechanism (JCM), as it was agreed in the Japan-Mongolia Joint Statement on Environmental Cooperation, Climate Change and the Joint Crediting Mechanism signed on 6 December 2012.³⁷⁶⁸ The goal of the new document is to promote the Low Carbon Development Partnership through transferring Japan's low-carbon technology and products which is calculated and evaluated as credits for contribution.³⁷⁶⁹

On 24 January 2013, METI announced its plans to hold Low Carbon Seminars in Kenya, Ethiopia and Djibouti in January-February 2013. The seminars were aimed at promoting the participation of African countries in the Joint Crediting Mechanism/Bilateral Offset Credit Mechanism.³⁷⁷⁰

On 30 May 2013, the Nikkei newspaper reported that Japanese government plans to develop geothermal projects in East Africa. The first country to receive technical assistance in this field would be Kenya. Japan also plans to support projects in Rwanda, Uganda, Tanzania and Ethiopia.³⁷⁷¹

During the compliance period Japan has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Evgeny Guschchin

Korea: +1

Korea has fully complied with the commitment on encouraging inclusive green growth in developing countries.

Korea has taken actions to implement or participate in stand-alone green projects in developing countries.

On 14 February 2013, the Export-Import Bank (Eximbank) of Korea announced that it will provide a USD194 million to finance the construction of the waste-gas power plant in Indonesia.

³⁷⁶⁷ Successful Applicants Adopted in the FY 2012 Global Warming Mitigation Technology Promotion Project (the Second Public Invitation), Ministry of Economy, Trade and Industry 26 July 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/0726_02.html.

³⁷⁶⁸ Japan Signed the Joint Statement on Environmental Cooperation, Climate Change and the Joint Crediting Mechanism with Mongolia, Ministry of Economy, Trade and Industry 06 December 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1206_02.html.

³⁷⁶⁹ Japan and Mongolia Signed a Bilateral Document Concerning the Joint Crediting Mechanism, Ministry of Economy, Trade and Industry 08 January 2013. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2013/0108_01.html.

³⁷⁷⁰ Low Carbon Seminars to be Held in Three Countries in East Africa, Ministry of Economy, Trade and Industry 24 January 2013. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2013/0124_01.html.

³⁷⁷¹ Japan to Aid Geothermal Projects in East Africa, Nikkei Reports, Bloomberg 30 May 2013. Date of Access: 11 July 2013. <http://www.bloomberg.com/news/2013-05-30/japan-to-aid-geothermal-projects-in-east-africa-nikkei-reports.html>.

Anticipated effect of the construction is a reduction in annual carbon emissions by 1 million tons.³⁷⁷²

Korea has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 8 November 2012, representatives of the Eximbank of Korea took part in the 18th Annual Meeting of the Asian EXIM Banks Forum. The main issue discussed at the meeting was the promotion of green finance. Chairman of the Korean Eximbank Yong Hwan Kim proposed three measures for attaining this goal, namely: "making greater use of intra-regional syndicated loans, reinforcing the network for identifying possible joint projects, and enhancing knowledge sharing."³⁷⁷³

On 8 November 2012, Korean President Lee Myung-bak and Indonesian President Susilo Bambang Yudhoyono agreed to jointly develop the assembling of green cars in Indonesia and signed a Memorandum of Understanding, providing for details of further cooperation in this area.³⁷⁷⁴

During the compliance period Korea has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Mexico: +1

Mexico has fully complied with the commitment to encourage inclusive green growth in developing countries.

On 21 June 2012, Juan Rafael Elvira Quesada, Minister of Environment and Natural Resources of Mexico, re-affirmed Mexico's commitment to sustainable development and green growth in his speech at Rio +20 Conference in Brazil. He emphasized the importance of public-private partnerships in developing renewable energy and stated that more than USD300 million have been spent on PPPs in Mexico.³⁷⁷⁵

On 24-28 September 2012, Mexico hosted a regional training on sustainable energy for policy-makers from more than 20 countries in Latin America and the Caribbean. The training focused on

³⁷⁷² Korea Eximbank Supports Project Financing for Indonesia's Power Plant Project Using Waste Gas, Korea Eximbank 15 February 2013. Date of Access: 29 March 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11522&bbs_code_id=1316753474007&bbs_code_tp=BBS_2.

³⁷⁷³ Asia Discusses Leadership in Green Finance, Korea Eximbank 9 November 2012. Date of Access: 29 March 2013.

http://www.koreaexim.go.kr/en/bbs/noti/view.jsp?no=11267&bbs_code_id=1316753474007&bbs_code_tp=BBS_2&req_pg=5.

³⁷⁷⁴ Korea and Indonesia pursue Comprehensive Economic Partnership Agreement, sign MOU on cooperation in green car development, Korea National Web Portal 9 November 2012. Date of Access: 29 March 2013.

http://infomailer.kotra.or.kr/20130102/%5B1%BF%F9%5D%C0%CE%BB%E7%C0%CC%B5%E5%C4%DA%B8%AE%BE%C6_%BF%B5%B9%AE_%C3%D6%C1%BE.pdf.

³⁷⁷⁵ Statements for the United Nations Conference on Sustainable Development, Rio+20 // The United Nations Conference on Sustainable Development Rio +20. 21.06.2012. URL: <http://www.uncsd2012.org/statementsrio20.html> (date of access: 12.02.2013).

low-carbon energy policies and technologies, including energy efficiency and renewables, and brought together the latest analysis, approaches, and best practices from around the world.³⁷⁷⁶

On 9 January 2013, Juan José Guerra Abud, Mexican Minister of Environment and Natural Resources, signed Memorandum of Understanding with the Economic Commission for Latin America (CEPAL) to promote green growth and sustainable development in Latin-American region.³⁷⁷⁷

During the compliance period Mexico has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Russia: 0

Russia has partially complied with the commitment on encouraging inclusive green growth in developing countries.

On 6 July 2012, the Russian Government decided to increase Russia's contribution to the United Nations Environment Program (UNEP) in 2013-2014 to USD1.5 million annually.³⁷⁷⁸ The UNEP provides "advisory services on ways to move towards a green economy in specific countries."³⁷⁷⁹

On 27 December 2012, the Russian Government adopted the State Program on Environmental Protection. It is aimed, inter alia, at implementing Russia's international commitments on environmental protection, energy efficiency and climate change; however it does not mention Russia's actions on encouraging inclusive green growth in developing countries.³⁷⁸⁰

During the compliance period Russia has taken limited actions to promote green growth in developing countries through the UNEP, which provides "advisory services" on green growth. No facts of Russia's measures to strengthen developing countries' national capacities have been found. Thus, it has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with the commitment on inclusive green growth.

No facts of Saudi Arabia contributing to stand-alone projects have been found. However Saudi Arabia participates in the Islamic Development Bank (IDB) and accounts for the largest share of

³⁷⁷⁶ IDB sponsors sustainable energy training for Latin America and the Caribbean // The official website of Inter-American Development Bank. 24.09.2012. URL: http://www.iadb.org/en/news/announcements/2012-09-24/sustainable-energy-training_10129.html (date of access: 07.02.2013).

³⁷⁷⁷ Firman Semarnat y Cepal acuerdo para impulsar agenda ambiental // The official website of the Ministry of Environment and Natural Resources. 09.01.2013. URL: <http://saladeprensa.semarnat.gob.mx/index.php/noticias/441-firman-semarnat-y-cepal-acuerdo-para-impulsar-agenda-ambiental> (date of access: 12.02.2013).

³⁷⁷⁸ Government Executive Order No. 1193-r of 6 July 2012. <http://government.consultant.ru/page.aspx?1618305>.

³⁷⁷⁹ About GEI, UNEP. <http://unep.org/greeneconomy/AboutGEI/WhatIsGEI/tabid/29784/Default.aspx>.

³⁷⁸⁰ State Program on Environmental Protection in 2012-2020. <http://www.mnr.gov.ru/regulatory/detail.php?ID=130036>.

its capital among 56 members — 26.57%.³⁷⁸¹ The purpose of IDB is to foster the economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of Islamic Law. Development of “green” energy projects and the promotion of indigenous energy efficiency enhancement initiatives are among the priorities of IDB. In 2012 IDB approved a total of 15 energy sector projects in Pakistan, Egypt, Iran, Mali, Mauritania, Morocco, Niger, Senegal, Tajikistan, Tunisia and Uzbekistan for a cumulative amount of USD1.2 billion.³⁷⁸²

Saudi Arabia also participates in the Arab Fund for Economic and Social Development (AFESD), whose objective is to contribute to the financing of economic and social development projects in the Arab countries. Saudi Arabia accounts for 23.99% of AFESD capital and is second after Kuwait, which accounts for 25.59%.³⁷⁸³ On 2 April 2013, AFESD signed the loan agreement to provide KWD14.0 million (USD3.91 million) for the construction of a 30MW wind farm in Nouakchott, Mauritania.³⁷⁸⁴

Both IDB and AFESD provide technical assistance, training, etc. But no facts of Saudi Arabia’s efforts to strengthen developing countries’ national capacities have been registered.

Thus Saudi Arabia has been awarded a score of 0.

Analyst: Tatyana Lanshina

South Africa: 0

South Africa has partially complied with the commitment on encouraging inclusive green growth in developing countries.

South Africa has taken actions to implement or participate in stand-alone green projects in developing countries

South Africa has supported promotion of green growth in developing countries through the IBSA Facility for Poverty and Hunger Alleviation Fund. India, Brazil and South Africa provide “an equal amount to the Fund which is managed by the UNDP Special Unit for South-South

³⁷⁸¹ Member countries, Islamic Development Bank. Date of Access: 7 July 2013.

http://www.isdb.org/irj/servlet/prt/portal/prtpos/com!252esap!252eportal!252enavigation!252eportallauncher!252eanonymous!7b!3b2!7d/prttarget/pcd!253aportal_content!252fidb!252een!252eIDBEnglish!252fcom!252eidb!252eenglish!252eIDBApplications!252fcom!252eidb!252eenglish!252eFrameworkContents!252fcom!252eidb!252eenglish!252eDesktop_Rules!252fcom!252eidb!252eenglish!252eIDBEnglish!252fframeworkPages!252fIDBInternetEnLightFrame.com!252esap!252eportal!252elightinnerpage.com!252esap!252eportal!252elightcontentarea.content.com!252eidb!252eenglish!252eMembercountries/prteventname/HtmlbEvent/prtroot/com.sap.portal.navigation.portallauncher.anonymous

³⁷⁸² Annual Report 2012, Islamic Development Bank. Date of Access: 7 July 2013.

http://www.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/English/IDB/CM/Publications/Annual_Reports/38th/AnnualReport38.pdf

³⁷⁸³ The Agreement Establishing the Arab Fund for Economic and Social Development, Arab Fund for Economic and Social Development. Date of Access: 7 July 2013.

[http://www.arabfund.org/Data/site1/pdf/Agreement%20Establishing%20\(new\).pdf](http://www.arabfund.org/Data/site1/pdf/Agreement%20Establishing%20(new).pdf)

³⁷⁸⁴ Activities during 2013, Arab Fund for Economic and Social Development. Date of Access: 7 July 2013.
<http://www.arabfund.org/Default.aspx?pageId=442>

Cooperation.”³⁷⁸⁵ The following relevant projects are currently being implemented in Guinea-Bissau: Rural Electrification through Solar Energy Systems, Development of Agriculture and Services to Rural Communities (includes provision of solar energy equipment to several villages).³⁷⁸⁶

During the compliance period South Africa has taken actions to promote green growth in developing countries through stand-alone projects. No facts of South Africa’s measures to strengthen developing countries’ national capacities have been found. Thus, it has been awarded a score of 0.

Analyst: Lyudmila Tarasenko

Turkey: +1

Turkey has fully complied with the commitment on encouraging inclusive green growth in developing countries.

Turkey has taken actions to implement or participate in stand-alone green projects in developing countries.

On 9 October 2012, Turkish Cooperation and Development Agency (TIKA) in cooperation with Niger Ministry of Water Affairs And Forestry developed a project of an 8-hectare rosary and 2-hectare “urban green forest.” It is planned to construct a water supply well working on solar power, water tank with a capacity of 10 tons and a football field in this urban forest.³⁷⁸⁷

On 1-5 July 2013, the 6th Asian School on Renewable Energy co-organized by TIKA took place in Malaysia. The main objectives of this School included promoting the use of environmentally-friendly technologies in the developing countries of Asia; raising awareness among policy-makers in these countries on the concept of sustainable energy technologies; and introducing micro-financing schemes for micropower technologies.³⁷⁸⁸

Turkey has taken actions to strengthen developing countries’ capacities for inclusive green growth.

On 25-28 February 2013, TIKA and Turkish General Directorate for Combating Desertification and Erosion contributed to holding the Second International Workshop on “Building landscapes resilient to global changes in dry lands: the guidelines.” The workshop, attended by 120 experts and academics from 30 countries and devoted to addressing fertile land desertification in Africa, is a part of the economic and technical cooperation package for the least developed countries proposed by Turkey at the Fourth United Nations Conference on the Least Developed Countries

³⁷⁸⁵ Providing development aid to Africa: comparing South Africa with China, India and Brazil, SAFPI Policy Brief 25. <http://www.safpi.org/publications/providing-development-aid-africa-comparing-south-africa-china-india-and-brazil>.

³⁷⁸⁶ IBSA, UNDP. <http://tc2c2.undp.org/IBSA/Default.aspx>.

³⁷⁸⁷ NİJER DEVLET, PLANLAMA, TOPRAK İDARESİ VE TOPLUMSAL KALKINMA BAKANLIĞI’NDA TİKA’YA ZİYARET, Turkish Cooperation and Development Agency 9 October 2012. Date of Access: 3 February 2013. <http://www.tika.gov.tr/haber/nijer-devlet-planlama-toprak-idaresi-ve-toplumsal-kalkinma-bakaninda-tikaya-ziyaret/380>.

³⁷⁸⁸ Maldives Participates in the 6th Asian School on Renewable Energy: Advanced Micropower Systems, Ministry of Environment and Energy of the Republic of Maldives 1 July 2013. Date of Access: 7 July 2013. <http://www.environment.gov.mv/v1/news/maldives-participates-in-the-6th-asian-school-on-renewable-energy-advanced-micropower-systems/>.

held in Istanbul in 2011. Turkish representatives announced “establishing a network to share knowledge and experience regarding the improvement of dry lands” and improving the African Union Great Green Wall project as the priorities of the workshop.³⁷⁸⁹

During the compliance period Turkey has taken actions to promote green growth in developing countries through implementing stand-alone projects and measures to strengthen developing countries’ national capacities. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

United Kingdom: +1

The UK has fully complied with the commitment on encouraging inclusive green growth in developing countries.

The UK has taken actions to strengthen developing countries’ capacities for inclusive green growth.

In October 2012, Minister of State Greg Barker headed a delegation of UK business leaders to East Africa to discuss opportunities on renewable energy and investment in the region. During the visit the UK demonstrated its expertise and possibilities in support of renewable energy projects in East Africa.³⁷⁹⁰

On 4 December 2012, the Secretary of State of the UK Edward Davey announced four new programmes funded by the UK to promote green growth in developing countries: two programmes to help stimulate private sector investment to provide low carbon energy in Africa, a programme to reduce emissions from cattle ranching and support smallholder farmers in Colombia and a programme to help developing countries to formulate strategies to reduce their emissions.³⁷⁹¹

On 10 June 2013 Secretary of State for Energy and Climate Change of the UK Edward Davey and Deputy Prime Minister of Russia A. Dvorkovich agreed to facilitate a regular exchange of experience in the implementation of national policies in the field of energy efficiency at the meeting devoted to the UK — Russian cooperation in the energy sphere.³⁷⁹²

³⁷⁸⁹ DESERTIFICATION, ONE OF THE MAJOR PROBLEMS OF AFRICA, WILL BE DISCUSSED IN DAKAR, Turkish Cooperation and Development Agency 26 February 2013. Date of Access: 7 July 2013. <http://www.tika.gov.tr/en/haber/desertification-one-of-the-major-problems-of-africa-will-be-discussed-in-dakar/498>.

³⁷⁹⁰ Greg Barker Leads Low Carbon Trade Delegation to East Africa, Department of Energy & Climate Change of the UK 28 September 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/greg-barker-leads-low-carbon-trade-delegation-to-east-africa>

³⁷⁹¹ UK Announces New Climate Programmes in Africa, South America and Other Vulnerable Countries through the International Climate Fund, Department of Energy & Climate Change of the UK 4 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/uk-announces-new-climate-programmes-in-africa-south-america-and-other-vulnerable-countries-through-the-international-climate-fund>

³⁷⁹² Deputy Prime Minister A. Dvorkovich and Secretary of State for Energy and Climate Change Edward Davey Met in London to Discuss UK - Russian Cooperation in the Energy Sphere, Department of Energy & Climate Change 10 June 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/uk-russia-energy-dialogue-communique>.

During the compliance period the UK has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on inclusive green growth.

The US has taken steps to promote green growth in developing countries through strengthening national capacities. Many actors, such as government, research institutes and private businesses were involved in this process.

In 2012, the US provided USD2.3 billion to support climate change mitigation in developing countries, including USD230 million provided to the Clean Technology Fund (CTF) which promotes green energy investments in developing countries. This contribution was made in the framework of fast start commitment of developed countries to collectively provide about USD30 billion in 2010-2012 and thus support developing countries in their efforts to adapt to and mitigate climate change.³⁷⁹³

In August 2012, the US Export-Import Bank, which is an official export credit agency of the United States, pledged USD2 billion in renewable energy loans to South Africa. The aim was to support solar, wind and other clean energy projects in South Africa that use US technologies, products and services.³⁷⁹⁴

In September 2012, the US and India agreed to invest USD50 million each to promote solar energy research. The governments would also expect the Solar Energy Research Institute for India and the United States (SERIUS) to facilitate collaborations between research institutions and industry.³⁷⁹⁵

On 20 November 2012, the U.S. President Barack Obama, together with Sultan Haji Hassanal Bolkiah of Brunei and President of Indonesia Susilo Bambang Yudhoyono, proposed the US-Asia Pacific Comprehensive Partnership for a Sustainable Energy Future which would focus on four key regional priorities, including renewables and cleaner energy, as well as sustainable development. The aim of the partnership would be consolidating and expanding energy and environment cooperation and sharing best practices. Private sector would play one of the key roles in this project. The US promised to provide up to USD6 billion for this initiative and technical assistance.³⁷⁹⁶

On 28 November 2012, Secretary of Commerce Rebecca Blank announced the establishment of the US-Africa Clean Energy Development and Finance Center which is an initiative of the US

³⁷⁹³ Meeting the Fast Start Commitment, US Department of State 2012. Date of Access: 25 January 2013. <http://www.state.gov/documents/organization/201130.pdf>.

³⁷⁹⁴ US Pledges \$2 Billion in Renewable Energy Loans to South Africa, Sustainable Business 10 August 2012. Date of Access: 25 January 2013. <http://www.sustainablebusiness.com/index.cfm/go/news.display/id/23957>.

³⁷⁹⁵ Press Release - US-India Energy Dialogue, Embassy of India to the US 28 September 2012. Date of Access: 26 January 2013. <http://www.indianembassy.org/prdetail2033/press-release---us-india-energy-dialogue>.

³⁷⁹⁶ Fact Sheet on The US-Asia Pacific Comprehensive Partnership for a Sustainable Energy, White House 20 November 2012. Date of Access: 26 January 2013. <http://www.whitehouse.gov/the-press-office/2012/11/20/fact-sheet-us-asia-pacific-comprehensive-partnership-sustainable-energy>.

Trade and Development Agency (USTDA), the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank of the United States (Ex-Im Bank). This center would provide technical and financial support for clean energy project development in sub-Saharan Africa.³⁷⁹⁷ The center was launched on 20 March 2013. The initial funds of the initiative amount USD20 million, and it is expected to bring over USD1 billion of government, multilateral, regional and private financing and investment for developing green energy in Africa.³⁷⁹⁸

In December 2012, the US Government launched a competitive tender to design, build, and operate Haiti's first industrial scale solar facility as a part of an ongoing effort to work with Haitian partners to develop green energy opportunities.³⁷⁹⁹

On 31 January 2013, Secretary of State Hillary Clinton announced up to USD10 million in new public-private partnership commitments to support a range of activities including women's clean energy entrepreneurship in India, East Africa, and Nigeria. The partnership would provide training and business assistance to more than 7,000 women.³⁸⁰⁰

On 14 March 2013, the US and Brunei Darussalam agreed to launch a new set of activities on renewable energy power generation to facilitate the deployment of renewable energy technologies in the countries of the East Asia Summit (EAS). This includes a public-private dialogue on eliminating policy barriers to renewable energy investment, dissemination of information necessary for investment decisions and research on climate change impacts on hydropower production.³⁸⁰¹

On 28 May 2013, the United States Department of Energy and Trinidad and Tobago signed a Memorandum of Understanding aimed at promoting cooperation on scientific, technical and policy aspects of energy efficiency and clean energy technologies through the exchange of ideas and information. The countries also committed to establish a Renewable Energy Research centre which will facilitate the rapid deployment of critical technologies for renewable energy in the Caribbean.³⁸⁰²

On 24 June 2013, the United States and India agreed to combat global climate change, strengthen energy security and support the development of low-carbon economies to support employment in

³⁷⁹⁷ Secretary Blank Announces New US-Africa Clean Energy Development and Finance Center, OPIC 28 November 2012. Date of Access: 26 January 2013. <http://www.opic.gov/press-releases/2012/secretary-blank-announces-new-us-africa-clean-energy-development-and-finance-cen>.

³⁷⁹⁸ U.S.-Africa Clean Energy Development and Finance Centre Launched, United States Diplomatic Mission to South Africa 20 March 2013. Date of Access: 1 July 2013. http://southafrica.usembassy.gov/consuljhb_130320_2.html.

³⁷⁹⁹ US Government Investments in Haiti's Rebuilding and Renewal, US Department of State 11 January 2013. Date of Access: 25 January 2013. <http://www.state.gov/s/hsc/rls/202726.htm>.

³⁸⁰⁰ Secretary Clinton Announces up to \$86.5 Million in New Public-Private Partnerships, US Department of State 31 January 2013. Date of Access: 3 February 2013. <http://www.state.gov/r/pa/prs/ps/2013/01/203614.htm>.

³⁸⁰¹ U.S.-Asia Pacific Comprehensive Energy Partnership, Energy Department of the US 14 March 2013. Date of Access: 3 July 2013. <http://energy.gov/articles/us-asia-pacific-comprehensive-energy-partnership>.

³⁸⁰² T&T, US sign deal on 'clean' energy, Trinidad Express Newspaper 28 May 2013. Date of Access: 2 July 2013. <http://www.trinidadexpress.com/business/TT-US-sign-deal-on-clean-energy-209267741.html>.

both countries, recalling the 2009 U.S.-India Memorandum of Understanding on clean energy, energy efficiency, energy security, and climate change.³⁸⁰³

In June 2013, the US Export-Import Bank announced its intention to work closely with state governments in India in the sphere of renewable energy. US Exim Bank, whose book in India is estimated at about USD8.2 billion, would finance both state and national projects. However this intention still lacks clarity.³⁸⁰⁴

In 2014 the US intends to provide funds for developing renewable energy and energy efficiency as well as for adaptation efforts to deal with the effects of climate change: USD1 million — for Nigeria, USD5 million — for Bangladesh, USD4 million — for India, USD4 million — for Colombia, USD2.5 — for Mexico. The USAID Africa Regional program will provide USD7 million for technical assistance to help overcome market barriers to increased private sector investment in clean energy, to facilitate the financial closure of renewable energy projects and to improve land management.³⁸⁰⁵

During the period under review the United States has implemented or supported stand-alone projects and has taken measures to strengthen national capacities for green growth. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

European Union: +1

EU has fully complied with the commitment on encouraging inclusive green growth in developing countries.

EU has taken actions to implement or participate in stand-alone green projects in developing countries.

On 14 November 2012, EU Development Commissioner Andris Piebalgs announced that the EU would support the construction of the largest African photovoltaic power plant in Burkina Faso with EUR25 million (USD32.5 million) of funding. The European Investment Bank (EIB) and the French Development Agency (AFD) will provide loans of a total of EUR38 million (USD50 million).³⁸⁰⁶

³⁸⁰³ U.S.-India Joint Fact Sheet: Sustainable Growth, Energy and Climate Change, U.S. Department of State 24 June 2013. Date of Access: 2 July 2013. <http://www.state.gov/r/pa/prs/ps/2013/06/211017.htm>.

³⁸⁰⁴ US Exim Bank to work with states for renewable energy, Business Standard 26 June 2013. Date of Access: 2 July 2013. http://www.business-standard.com/article/finance/us-exim-bank-to-work-with-states-for-renewable-energy-11306260009_1.html.

³⁸⁰⁵ Foreign Operations, Congressional Budget Justification, Fiscal Year 2014, Department of State of the United States of America. Date of Access: 7 July 2013. <http://www.state.gov/documents/organization/208291.pdf>.

³⁸⁰⁶ Commissioner Piebalgs Announces EU Support for Building the Largest Solar Power Plant in West Africa, Ahead of Energy Ministerial Meeting in Addis Ababa, European Commission 14 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1204_en.htm

On 19 December 2012, Development Commissioner, Andris Piebalgs announced that the EU will support a project to build a desalination plant which would use renewable energy in Djibouti.³⁸⁰⁷

On 21 March 2013, European Commissioner for Development, Andris Piebalgs, announced new EUR10 million funding to boost access to sustainable energy in the Pacific Islands. The funding would provide access to sustainable energy to the poorest living in some of the most remote areas of the Pacific.³⁸⁰⁸

EU has taken actions to strengthen developing countries' capacities for inclusive green growth.

On 16 August 2012, the European Commission approved a EUR34 million (USD44.2 million) environmental programme in Algeria. Support will be given particularly to a national climate plan, an ecological monitoring system for the coast and management plans for protected areas.³⁸⁰⁹

On 20 September 2012, Commissioner for Development, Andris Piebalgs, and Chen Deming, Minister of Commerce of the Republic of China, signed a financing agreement promoting the environment, transition towards a low-carbon economy and a reduction of greenhouse gas emissions in China. The EU will provide technical assistance, training and fostering exchanges of experience, best practice and know-how in these areas.³⁸¹⁰

On 6 November 2012, Research, Innovation and Science Commissioner Máire Geoghegan visited Cape Town where the first initiative of European and African countries to jointly fund collaborative research projects was agreed. Themes of supported research include renewable energy and climate change.³⁸¹¹

On 21 December 2012, the European Commission announced additional EU funding for Ukraine in 2012 to support energy reform in the country aimed, among other purposes, at decreasing environment pollution.³⁸¹²

On 4 July 2013, the European Commission announced EUR27 million of financial support to help improve the renewable energy and energy efficiency policy in Nigeria. The activities of the programme will include: promotion of reduced gas flaring, design of energy assessment and strategies to increase access to energy, providing training on aspects such as norms, standards, and tariffs.³⁸¹³

³⁸⁰⁷ EU Announces Major Support to Pioneering Renewable Energy and Water plant in Djibouti, European Commission 19 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1405_en.htm

³⁸⁰⁸ EU Announces New Funding to Boost Growth and Access to Energy in the Pacific, European Commission 21 March 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-257_en.htm

³⁸⁰⁹ European Union Mobilises to Protect the Environment in Algeria, European Commission 16 August 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-901_en.htm

³⁸¹⁰ The European Union and China Join Forces to Address Environment, Urbanisation and Climate Change Challenges, European Commission 20 September 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-989_en.htm

³⁸¹¹ Joint Funding of European-African Research Projects Agreed, European Commission 6 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1176_en.htm

³⁸¹² EU Support to Ukraine for Energy Reform and Local Development, European Commission 21 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1437_en.htm

³⁸¹³ New EU Support for Renewable Energy Policy in Nigeria, European Commission 4 July 2013. Date of Access: 5 July 2013. http://europa.eu/rapid/press-release_IP-13-649_en.htm

During the compliance period EU has taken actions to promote green growth in developing countries through strengthening their national capacities. Thus, it has been awarded a score of +1.

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