

2009 Pittsburgh G20 Summit Compliance Report

The International Organisations Research Institute of the University – Higher School of
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Federation
and
the G8 Research Group of the University of Toronto

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Executive Summary

The International Organisations Research Institute of the University – Higher School of Economics (Moscow, Russia) presents its third G20 Compliance Report. The report analyses the efforts made by the G20 members to comply with their 2009 Pittsburgh summit commitments during the period from 26 September 2009 to 7 June 2010. The report seeks to provide some evidence base to the debate on evolving global role of the G20 economies and their contribution to the processes of global economic and political governance.

The report seeks to contribute to the debate on the capacity of the recently established G20 leaders' forum to address the consequences of the world economic crisis and future challenges. The authors hope that the study findings will provide some evidence base to the debate on evolving global role of the G20 economies and their contribution to the processes of global economic and political governance.

To allow compatibility with the G8 and build cross institutional and cross country consistency the G20 compliance performance study is based on the methodology of monitoring and assessing the G8 members' compliance performance with the summits' commitments, designed and employed since 1996 by the G8 Research Group of the University of Toronto¹.

The methodology uses a rating scale from – 1 to +1, where +1 indicates full compliance with the stated commitment, -1 is reserved for those countries that fail to comply or take action that is directly opposite to the stated goal of the commitment, and 0 is awarded for partial compliance or work in progress, initiatives that have been launched by a government but are not yet near completion and whose results can therefore not be assessed. Hence, every country receives a -1, 0 or +1 score for each commitment. These individual commitment scores for each country are summarized and divided by the number of commitments, to get a member average compliance score.

For the purposes of the monitoring and assessment 8 commitments from G20 Pittsburg summit documents² were selected. Criteria applied in selecting the commitments for monitoring the G20 compliance performance were similar to the G8 monitoring methodology. The selection aimed to be balanced and represent the summit priorities, be important for the G20 and the world, the list - comprehensive and cover most of the summit domains and decision areas, represent both individual and collective pledges. The selected commitments also meet the secondary criteria of performance measurability, ability to commit within a year, feasibility of designing interpretative guidelines. The selected commitments³ include almost all spheres covered by the document: fighting corruption; diffusion and research of clean technologies to address the challenges of climate change; ensuring global financial stability; resisting protectionism; promoting balanced current accounts and global trade and investment; strengthening financial regulation with reforming IFIs and supporting MDBs; assisting developing countries and increasing the transparency of aid flows with implementation of the Accra Agenda for Action. Their similarity to the G8 L'Aquila commitments allowed cross institutional comparison.

In order to ensure shared understanding of the essence of the commitments nature, assessment coherence and, thus, cross-country comparability interpretive guidelines for monitoring and

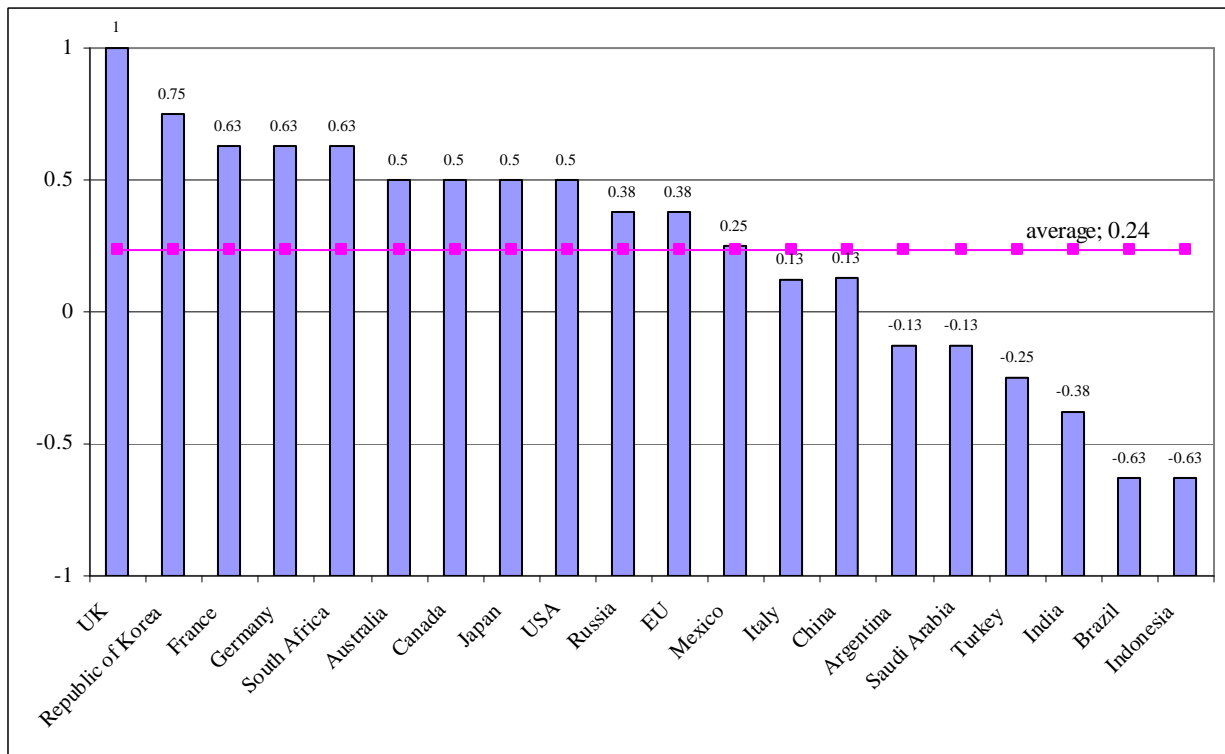
¹ Detailed description of the methodology can be found on the G8 Research Group of the University of Toronto website (<http://www.g8.utoronto.ca/evaluations/index.html#method>).

² A Framework for Strong, Sustainable and Balanced Growth.
<http://www.g8.utoronto.ca/g20/2009/2009communique0925.html>

³ List of commitments can be found in Annex 1.

assessment were elaborated.⁴ The G20 monitoring period embraced eight months from September 25, 2009, to May 31, 2010.

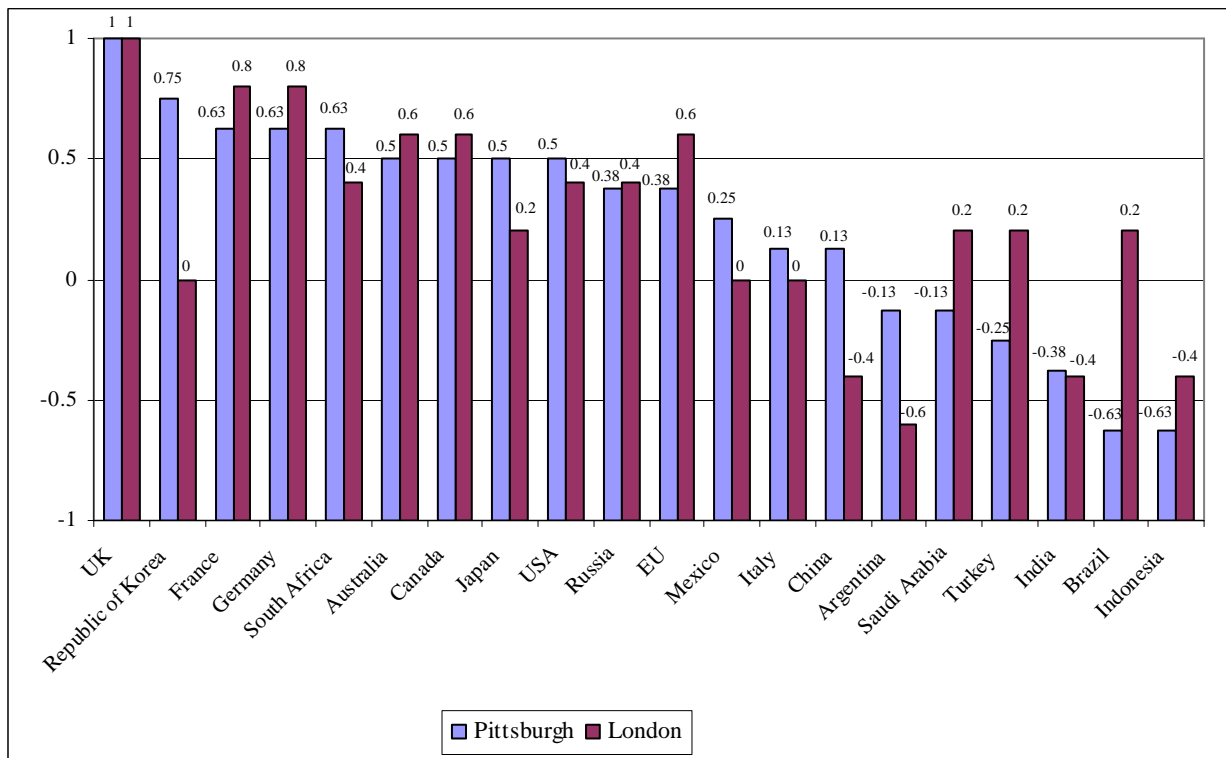
The average compliance of the G20 member states and the European Union with 2009 Pittsburgh summit commitments is assessed at the score of 0.24. The performance has not substantially exceeded the G20 average compliance with 2009 London commitments of 0.23.



Picture 1. 2009 Pittsburgh G20 Summit Compliance Scores

The UK retained the highest level of compliance performance of one point both for London and Pittsburgh summits. Canada, being a chair in the G8 in 2010, has demonstrated consistently high levels of compliance with both the G20 Pittsburgh summit commitments (0.63) and G8 L'Aquila summit commitments (0.67). The two chairs of G20, Canada and the Republic of Korea, improved their compliance, the latter – dramatically by 0.75 points. Thus all three chairs, the UK, Canada and the Republic of Korea, were the top performers in the G20. This can be interpreted as the chairmanship effect, noted in the G8, but should also be attributed to Republic of Korea's ambition and capacity for leadership in the new institution.

⁴ Interpretive guidelines can be accessed at the University – Higher School of Economics International Organisations Research Institute website.
http://www.iori.hse.ru/g20/a_material/Guidelines_G20_Pittsburgh_summit_commitments_compliance.pdf.



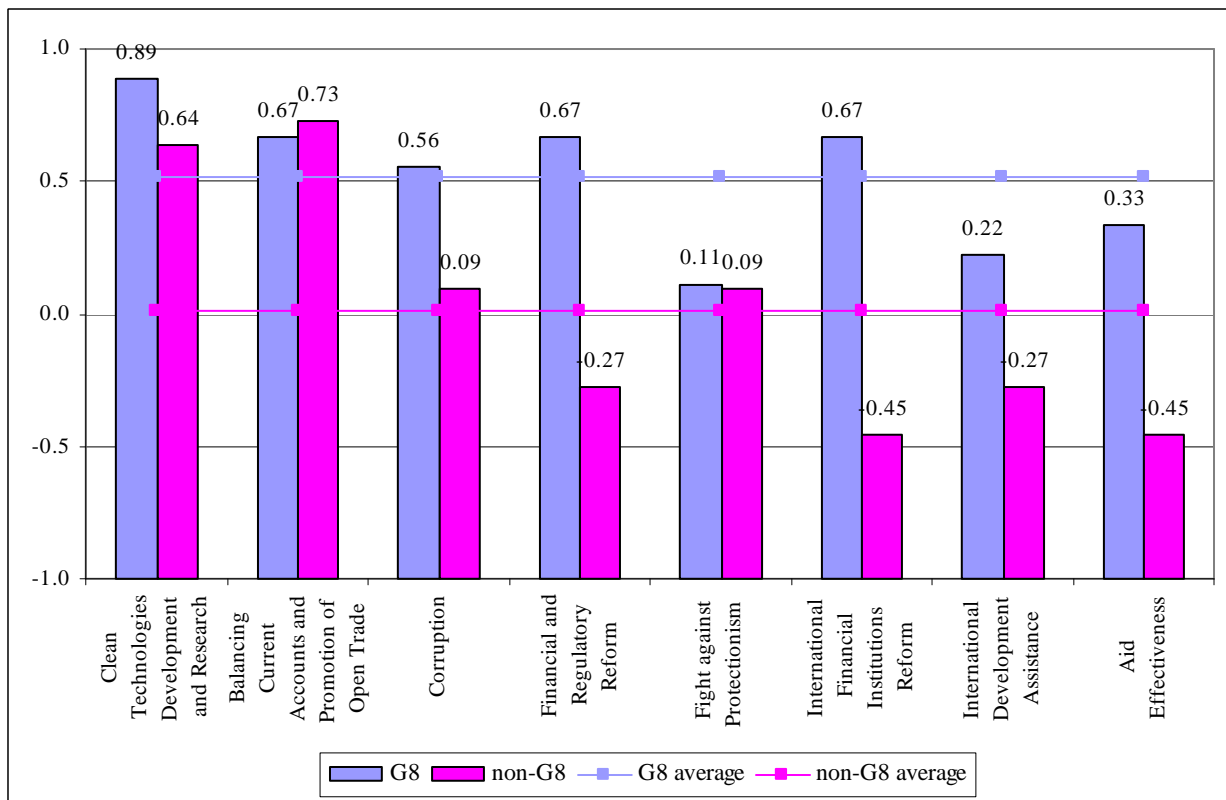
Picture 2. 2009 Pittsburgh and 2009 London G20 Summits Compliance Scores

The greatest positive change has been demonstrated by the Republic of Korea (+0.75). Two newly industrializing countries, China (+0.53) and Argentina (+0.48), ranked second and third respectively. Sufficient advance has been registered for Japan (+0.3), Mexico (+0.25) and South Africa (+0.23). Italy, USA and India have shown a slight increase in scores (+0.13, +0.1 and +0.02 respectively). Other G20 members have reduced their compliance with the largest decrease registered for Brazil (-0.83), Turkey (-0.45) and Saudi Arabia (-0.33). However the change in average score was positive (+0.01).

The analysis revealed substantial differences in compliance within G20 for G8 and other G20 members. The G8 member states compliance is significantly higher, which was true for the London summit as well. Average compliance with Pittsburgh commitments for G8 members is assessed at the average score of 0.52, one point lower than for the 2009 London summit (0.53). L'Aquila G8 summit compliance average score is very close to both Pittsburgh and London at 0.53.

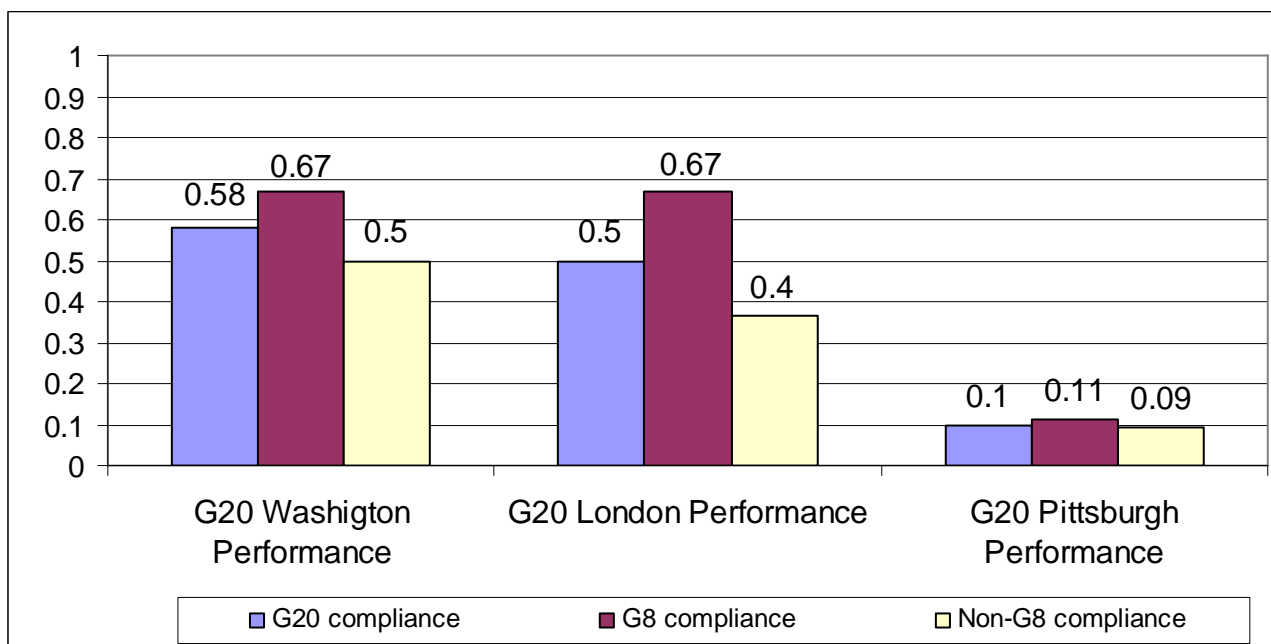
Average compliance performance for non-G8 members of the G20 has changed from the negative score of -0.02 in 2009 to a positive of 0.01. By and large their enhanced level is mostly due to a dramatic increase in performance by the Republic of Korea and a considerable one by China.

As well as the previous monitoring the study revealed substantial differences in compliance performance by commitments, by sectors and by groups of countries within the G20.



Picture 3. G8 and Non-G8 compliance with Pittsburgh summit commitments

The average G20 compliance with 2009 Pittsburg summit commitment on fight against protectionism (0.1) dropped substantially in comparison with performance results recorded for Washington summit (0.58) and London summit (0.5). This can be read as both the overwhelming need by the G20 governments to respond to national demands in the face of crisis, and loosening of the grip of shared commitments. Given these circumstances leadership of the two G20 chairs, the UK and the Republic of Korea, is all the more important.



Picture 4. G20 average compliance with a commitment on fight against protectionism

The G20 members have almost fully complied with the commitment on clean technologies research and development (average compliance score is 0.75).

The G20 members have mainly complied with the commitment on fighting corruption through ratification of the UNCAC, adoption an effective, transparent, and inclusive mechanism during the third Conference of the Parties in Doha and adoption and enforcement the OECD Anti-Bribery Convention. The average performance was registered at the score of 0.30.

World economy commitment on balancing current accounts and promotion of open trade and investment received the highest score of 0.70 out of three commitments on world economy. Commitment on financial and regulatory reform was ranked the next in this group, having been assessed at a score of 0.15. The commitment on international financial institutions reform was surprisingly underperformed with the lowest score of 0.05.

Non-G8 members were effective in performing the commitment on balancing current accounts and promotion of open trade and investment (the average score is 0.73), having surpassed the compliance of the G8 members of the G20 (0.67) and having met the G20 call to stabilize macroeconomic policy and promote open markets in order to attract foreign direct investments. But non-G8 members of the G20 didn't comply with the commitment on regulatory reform (-0.27) and the commitment on international financial institution reforms (-0.45), which were supposed to be instrumental for their deeper integration into the global economic governance architecture to reflect their weight in global decision making power.

The G20 collective performance on development commitments proved to be weak and registered -0.05. The G8 members' compliance was assessed at the positive score of 0.33, whereas performance of non-G8 was substantially lower and constituted a score of -0.36.

The results of the G20 compliance with 2009 Pittsburgh summit development commitments correspond with the results for the G20 2009 London summit, when the G8 members received a score of 0.61 whereas non-G8 members were assessed at a negative score of -0.23. The G20 average performance on development commitment decreased as compared to the London summit, and the tendency is equally observant for the G8 and non G8 members of the G20.

Thus, the findings so far provide evidence of a higher compliance performance of the G8 both within the G20 and G8 framework and hence, confirm to G8 higher effectiveness on delivery. However, it has taken G7 decades to establish capacity for delivery as research indicates⁵. The rise in performance of non G8 members in the G20 is an important factor, which gives hope that the institution can serve as a platform for their deeper engagement in all global governance functions.

⁵ Von Furstenburg, George and Joseph Daniels, *Economic Summit Declarations, 1975-1989: Examining the Written Record of International Cooperation*, Princeton Studies in International Finance 72, Princeton, N. J., Department of Economics, 1992.

Kokotsis, Ella and Kirton, John, "National Compliance with Environmental Regimes: The Case of the G7, 1988-1995," Paper prepared for the Annual Convention of the International Studies Association, Toronto, March 18-22 1997. Unpublished

Table A. G20 members compliance with 2009 Pittsburgh summit commitments

Commitment name/ G20 member	1 Corruption	2 Climate Change: Technology Development and Research	3 Financial and Regulatory Reform	4 Fight against Protectionism	5 Balancing Current Accounts and Promotion of Open Trade and Investment	6 Internation al Financial Institution Reforms	7 Internation al Developme nt Assistance	8 Aid Effectiveness: The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action	Country Average
Argentina	0	+1	0	0	+1	-1	-1	-1	-0.13
Australia	+1	+1	+1	0	0	0	+1	0	0.50
Brazil	0	0	-1	-1	0	-1	-1	-1	-0.63
Canada	+1	+1	0	0	+1	+1	0	+1	0.63
China	0	+1	0	0	+1	-1	0	0	0.13
France	+1	+1	+1	0	+1	+1	0	0	0.63
Germany	0	+1	+1	0	+1	+1	+1	0	0.63
India	-1	+1	-1	0	+1	-1	-1	-1	-0.38
Indonesia	0	0	-1	-1	0	-1	-1	-1	-0.63
Italy	0	+1	0	+1	0	0	-1	0	0.13
Japan	0	+1	+1	-1	+1	+1	0	+1	0.50
Republic of Korea	+1	+1	+1	+1	+1	+1	0	0	0.75
Mexico	+1	+1	0	0	+1	-1	0	0	0.25
Russian Federation	+1	+1	+1	-1	+1	0	0	0	0.38
Saudi Arabia	-1	0	-1	0	+1	0	0	0	-0.13
South Africa	+1	0	0	+1	+1	+1	+1	0	0.63
Turkey	-1	+1	-1	+1	+1	-1	-1	-1	-0.25
UK	+1	+1	+1	+1	+1	+1	+1	+1	1.00
USA	+1	+1	0	0	0	+1	+1	0	1.00
EU	0	0	+1	+1	0	0	0	+1	0.38
Issue Average	0.3	0.75	0.15	0.1	0.7	0.05	-0.05	-0.05	0.24
2009 London G20 Summit Compliance Score			0	0.5		0	0.3		0.23

1. Corruption

101 - We call for the adoption and enforcement of laws against transnational bribery, such as the OECD Anti-Bribery Convention, and the ratification by the G-20 of the UN Convention against Corruption (UNCAC) and the adoption during the third Conference of the Parties in Doha of an effective, transparent, and inclusive mechanism for the review of its implementation.

G20 Leaders' Statement: The Pittsburgh Summit

Background

Cognizant of the problems that corruption presents to economic growth and global stability, at Evian summit the G8 members committed to: strengthening the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention), concluding the UN Convention against Corruption (UNCAC); and supporting the accelerated ratification of the UN Convention against Transnational Organized Crime (UNCATOC).⁶ Since then, the G8 members have promoted the UNCAC as a key instrument for combating corruption.

The UNCAC sets out standards and legal and regulatory systems, designed to prevent and punish corruption, and to facilitate “international cooperation and technical assistance in the prevention of and fight against corruption, including asset recovery.”⁷

Over 100 states that are parties to the UNCAC participated in the Bali Conference to Strengthen Integrity and Fight Corruption, held in Indonesia from 28 January to 1 February 2008. This meeting emphasized the responsibility states had to each other in the fight against corruption and highlighted the need for further international cooperation. During the Conference, Antonio Maria Costa, executive director of the United Nations Office on Drugs and Crime, highlighted the importance of the proposed review mechanism, stating: “An effective review mechanism will ensure that this powerful piece of international law lives up to its potential.”⁸

The UNCAC review mechanism was proposed in 2006, at the first session of the Conference of States Parties to the UNCAC in Amman, Jordan, to help members assess their progress in implementing the treaty.⁹ The leaders established an intergovernmental working group that has since 2006 met several times, and reported back to the Second Conference of States Parties to the UNCAC early in 2008. The working group met again in September and December of 2008, as well as in May 2009.¹⁰ The third session of the Conference of States Parties to the UNCAC was held in Doha, Qatar from 9 to 13 November 2009.¹¹ After a week of intense negotiations, States agreed to a mechanism to monitor implementation of the UNCAC and issued Doha Resolutions as unofficial document that is not edited yet.¹²

The OECD Anti-Bribery Convention establishes legally binding standards to criminalise bribery of foreign public officials in international business transactions and provides for a host of related

⁶ Fighting Corruption and Improving Transparency: A G8 Declaration, G8 Information Centre (Toronto) 2.06.2003. (date of access: 1.11. 2009. http://www.g7.utoronto.ca/summit/2003evian/corruption_en.html).

⁷ United Nations Convention against Corruption. United Nations Office on Drugs and Crime (Vienna).09. 2004. (date of access: 1.11. 2009. http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

⁸ Bali Conference to Strengthen Integrity and Fight Corruption. United Nations Office on Drugs and Crime (Vienna) 15.01. 2008. (date of access: 1.11. 2009. <http://www.unodc.org/unodc/en/press/releases/2008-01-15.html>).

⁹ Open-ended Intergovernmental Working group on the Review of the Implementation of the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna). (date of access: 1.11. 2009. <http://www.unodc.org/unodc/en/treaties/CAC/working-group1.html>).

¹⁰ Open-ended Intergovernmental Working group on the Review of the Implementation of the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna). (date of access: 1.11. 2009. <http://www.unodc.org/unodc/en/treaties/CAC/working-group1.html>).

¹¹ Third session of the Conference of the States Parties to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna). (date of access: 11.01. 2010. <http://www.unodc.org/unodc/en/treaties/CAC/CAC-COSP-session3.html>

¹² Doha Resolutions, United Nations Office on Drugs and Crime. http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/Doha_resolutions_unofficial.pdf

measures that make this effective. The 30 OECD member countries and eight non-member countries (Argentina, Brazil, Bulgaria, Chile, Estonia, Israel, Slovenia and South Africa) have adopted this Convention.¹³

The following table shows the G20 members' commitment to the UNCAC and the OECD Anti-Bribery Convention thus far:

G20 Member	UNCAC Signature / Ratification, Approval (a) ¹⁴	OECD Anti-Bribery Convention Deposit of instrument of ratification / Entry into force ¹⁵
Argentina	10 December 2003 / 28 August 2006	8 February 2001 / 9 April 2001
Australia	9 December 2003 / 7 December 2005	18 October 1999 / 17 December 1999
Brazil	9 December 2003 / 15 June 2005	24 August 2000 / 23 October 2000
Canada	21 May 2004 / 2 October 2007	17 December 1998 / 15 February 1999
China	10 December 2003 / 13 January 2006	
France	9 December 2003 / 11 July 2005	31 July 2000 / 29 September 2000
Germany	9 December 2003 /	10 November 1998 / 15 February 1999
India	9 December 2005 /	
Indonesia	18 December 2003 / 19 September 2006	
Italy	9 December 2003 / 5 October 2009	15 December 2000 / 13 February 2001
Japan	9 December 2003 /	13 October 1998 / 15 February 1999
Mexico	9 December 2003 / 20 July 2004	27 May 1999 / 26 July 1999
Russia	9 December 2003 / 9 May 2006	
Saudi Arabia	9 January 2004 /	
South Africa	9 December 2003 / 22 November 2004	19 June 2007 (<i>accession instrument</i>) / 18 August 2007
South Korea	10 December 2003 / 27 March 2008	4 January 1999 / 5 March 1999
Turkey	10 December 2003 / 9 November 2006	26 July 2000 / 24 September 2000
UK	9 December 2003 / 9 February 2006	14 December 1998 / 15 February 1999
USA	9 December 2003 / 30 October 2006	8 December 1998 / 15 February 1999
EU	15 September 2005 / 12 November 2008 (a)	

Commitment Features

¹³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, OECD Directorate for Financial and Enterprise Affairs. (date of access: 11.01. 2010).

http://www.oecd.org/document/21/0,3343,en_2649_34859_2017813_1_1_1_1,00.html

¹⁴ United Nations Convention against Corruption <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

¹⁵ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Ratification status as of 02.2009. <http://www.oecd.org/dataoecd/59/13/40272933.pdf>.

This commitment requests G20 members to ratify the UNCAC, have they already not done so, to adopt during the third Conference of the Parties in Doha an effective, transparent, and inclusive mechanism for the review of its implementation to and to adopt and enforce the OECD Anti-Bribery Convention. Since ratifying the UNCAC is not an incremental process, but a one-off action, ratifications that took place before the Pittsburgh Summit are acceptable as compliance.

For full compliance, the G20 members must ratify (or have already ratified) the UNCAC, adopt an effective, transparent, and inclusive review mechanism during the third Conference of the Parties in Doha and adopt and enforce the OECD Anti-Bribery Convention. For countries, that have not adopted the OECD Anti-Bribery Convention its adoption should be considered as compliance. For countries that have already adopted the OECD Anti-Bribery Convention only its enforcement should be considered as compliance. Enforcement can be monitored by analyzing country reports on the implementation of the OECD Anti-Bribery Convention and monitoring day-to-day practice in the sphere of anticorruption.¹⁶ All actions that are in line with the OECD Anti-Bribery Convention should be registered as compliance.

For countries, that have not ratified the UNCAC its ratification should be considered as compliance. For countries that have already ratified the UNCAC only its adoption of an effective, transparent, and inclusive mechanism during the third Conference of the Parties in Doha should be considered as compliance. Since information on voting is unavailable member's position at the Doha Conference should be monitored by analyzing statements of the country's officials and official documents.

The UNCAC and the OECD Anti-Bribery Convention adoption should be monitored in both national and the respective international organisations' sources as the fact of ratification can be reflected by the respective international organisations with a delay.

The EU is not a party to the OECD Anti-Bribery Convention. But the EU is bound to sign and ratify it by the commitment as a G20 member. This provision works for other G20 members not party for these conventions. For the EU approval by the Council should be regarded as ratification of the Convention.

Useful Links

[United Nations Convention against Corruption](#)

[OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions](#)

[OECD Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions](#)

[Country reports on the implementation of the OECD Anti-Bribery Convention](#)

Scoring

-1	Member does not ratify the UNCAC AND does not adopt an effective, transparent, and inclusive mechanism during the third Conference of the Parties in Doha AND does not adopt and enforce (if it adopted) the OECD Anti-Bribery Convention, before or during the compliance period.
0	Member ratifies the UNCAC OR adopts an effective, transparent, and inclusive mechanism during the third Conference of the Parties in Doha OR adopts AND/OR enforces the OECD Anti-Bribery Convention, before or during the compliance period.
+1	Member ratifies the UNCAC AND adopts an effective, transparent, and inclusive mechanism during the third Conference of the Parties in Doha AND adopts and enforces the OECD Anti-Bribery Convention, before or

¹⁶ Country reports on the implementation of the OECD Anti-Bribery Convention.

http://www.oecd.org/document/24/0,3343,en_2649_34859_1933144_1_1_1_1,00.html

	during the compliance period.
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Assessment:

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina		0	
Australia			+1
Brazil		0	
Canada			+1
China		0	
France			+1
Germany		0	
India		-1	
Indonesia		0	
Italy		0	
Japan		0	
Republic of Korea			+1
Mexico			+1
Russian Federation			+1
Saudi Arabia	-1		
South Africa			+1
Turkey	-1		
UK			+1
USA			+1
EU		0	
Compliance Average	0.3		

Country compliance

Argentina: 0

Argentina has partially complied with the commitment to combat transnational bribery.

Argentina ratified the United Nations Convention against Corruption (UNCAC) on 28 August 2006 and entered it into force on 27 September 2006.¹⁷

Argentina has also participated in the third Conference of the UNCAC Parties in Doha held 9-13 November 2009.¹⁸ However, there were no facts registered for the compliance cycle.

¹⁷ Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // The official website of the OECD. 23 March 2007. URL: <http://www.oecd.org/dataoecd/15/45/42096889.pdf> (date of access: 10.06.2010).

Argentina ratified the OECD Anti-Bribery Convention on 8 February 2001¹⁹ and it entered into force on 9 April 2001²⁰.

There were no facts on enforcement of the OECD Anti-Bribery Convention registered for the compliance cycle

Although Argentina ratified UNCAC and adopted the OECD Anti-Bribery Convention, there were no facts on enforcement of these instruments registered during this compliance cycle. Thus, Argentina has partially complied with this commitment and is awarded a score of 0.

Analyst: Polina Arkhipova

Australia: +1

Australia has fulfilled the commitment. The Australian Government has adopted and enforced the key international mechanisms to fight bribery and corruption, such as the OECD Anti-Bribery Convention, UN Convention against Corruption (UNCAC). It has also adopted an effective, transparent, and inclusive mechanism for the review of its implementation during the third Conference of the Parties in Doha.

Most of the commitments have already been implemented by Australian Government before the monitoring period. On 7 December 2005 Australia ratified the United Nations Convention against Corruption.

Australia participated in Doha conference and proposed its approach to fighting corruption and adopted an effective, transparent, and inclusive mechanism for the review of its implementation. It includes an establishment of the Independent Commission Against Corruption (ICAC). Australia recognizes that law enforcement is an area of public administration that is especially vulnerable to corruption and infiltration.²¹

On 18 October 1999 Australia ratified the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

The National Anti-Corruption agency of Australia “Independent commission against corruption” issued preventing corruption tip sheets: identifying and managing conflicts of interest in the public sector (on 12 November 2010) and minimizing corruption risks in land dealings Guide for Local Aboriginal Land Councils (February 2010), which discusses the corruption risks that Local Aboriginal Land Councils (“LALCs”) can face when entering land dealings such as joint ventures, and the strategies that they can put in place to minimize these risks.²²

Thus, Australia has met all commitment features, and receives a score of +1.

Analyst: Dina Padalkina

Brazil: 0

¹⁸ Final list of participants. Conference of the States Parties to the United Nations Convention against Corruption // The official website of the OECD. 13.11.2009. URL:

http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 12.06.2010).

¹⁹ United Nations Convention against Corruption // United Nations Office on Drugs and Crime (UNODC). URL:

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 10.06.2010).

²⁰ Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // The official website of the OECD. 23 March 2007. URL:

<http://www.oecd.org/dataoecd/15/45/42096889.pdf> (date of access: 10.06.2010).

²¹ Australian Expert consultation on the prevention of corruption, Mr. Nicholas Sellars, Director of Research and Policy, Doha conference // ACLEI. 11.11.2009. URL:

[http://www.aclei.gov.au/www/aclei/rwpattach.nsf/VAP/\(C7C220BBE2D77410637AB17935C2BD2E\)~UNCAC-COSP-Doha2009-NationalStatementbyACLEI-Australia-CorruptionPrevention.pdf/\\$file/UNCAC-COSP-Doha2009-NationalStatementbyACLEI-Australia-CorruptionPrevention.pdf](http://www.aclei.gov.au/www/aclei/rwpattach.nsf/VAP/(C7C220BBE2D77410637AB17935C2BD2E)~UNCAC-COSP-Doha2009-NationalStatementbyACLEI-Australia-CorruptionPrevention.pdf/$file/UNCAC-COSP-Doha2009-NationalStatementbyACLEI-Australia-CorruptionPrevention.pdf) (date of access 19.03.2010)

²² ICAC of Australia // ICAC.12.07.2009 and 03.01.2010. URL:

<http://www.icac.nsw.gov.au/preventing-corruption/preventing-corruption-publications> (date of access 09.03.2010)

Brazil has partially complied with its G20 commitment to adopt and enforce laws against transnational bribery.

Brazil ratified the UNCAC on 15 June 2005.²³

On 9-13 November 2009 Brazil took part in the Third session of the Conference of the States Parties to the United Nations Convention against Corruption. The Brazilian delegation was headed by the Brazilian Minister of State, Head of the Office of the Comptroller-General J. H. Sobrinho²⁴. At the Conference, the participants ratified a review mechanism that would monitor states' implementation of the UNCAC, according to which states will be monitored for their fulfillment of the UNCAC obligations every five years by peer review and self-assessments.²⁵

Brazil adopted the OECD Anti-Bribery Convention on 23 October 2000.²⁶

No facts of the measures on the enforcement of the OECD Anti-Bribery Convention by Brazil during the compliance cycle have been registered.

Brazilian Government has partially complied with its commitment, having ratified the UNCAC and OECD Anti-Bribery Convention, but failed to enforce the latter. Thus, Brazil is awarded a score of 0.

Analyst: Polina Cherepova

Canada: +1

Canada has fully complied with its commitment to call for the adoption and enforcement of laws against transnational bribery, such as the OECD Anti-Bribery Convention and the UN Convention against Corruption (UNCAC) and the adoption of Review Mechanism at the Third Conference of Parties in Doha.

On 21 May 2004, Canada's Ambassador to the UN signed UNCAC for Canada at UN headquarters.²⁷

On 2 October 2007, Maxime Bernier, Canada's Minister of Foreign Affairs, ratified the Convention on behalf of Canada.²⁸

On 7-8 November 2009, Canada participated in the Sixth Global Forum on Fighting Corruption and Safeguarding Integrity in Doha.²⁹ At the Forum Canada was represented by governmental officials and by civil society (by Global Network for Good Governance, Canadians for Accountability and Federal Accountability Initiative for Reform and TI Canada), which called for adoption of Effective

²³ United Nations Convention against Corruption. // The official website of the UNODC. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 01.05.2010).

²⁴ Third session of the Conference of the States Parties to the United Nations Convention against Corruption // the official website of UNODC. 13.11.2009. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 26.04.2010).

²⁵ The official website of the UNODC. 13.11.2009. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/Doha_resolutions_unofficial.pdf (date of access: 26.04.2010).

²⁶ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Ratification status as of March 2009. 1.03.2010. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 1.03.2010).

²⁷ Canada Ratifies the United Nations Convention Against Corruption // Transparency International official web site. 02.10.2007. URL: <http://www.transparency.ca/Reports/Press/20071007-TI%20Canada%20Ratifies%20the%20United%20Nations%20Convention%20Against%20Corruption.pdf> (date of access: 13.06.2010).

²⁸ Canada Ratifies the United Nations Convention Against Corruption // Transparency International official web site. 02.10.2007. URL: <http://www.transparency.ca/Reports/Press/20071007-TI%20Canada%20Ratifies%20the%20United%20Nations%20Convention%20Against%20Corruption.pdf> (date of access: 13.06.2010).

²⁹ Participants // Global Forum VI on Fighting Corruption and Safeguarding Integrity. URL: <http://www.gf6.pp.gov.qa/participants.htm> (date of access: 13.06.2010).

Review Mechanism.³⁰ With other participants Canada adopted the Review Mechanism at the end of the conference.³¹

Canada adopted the OECD Anti-Bribery Convention on 17 December 1998 and the Convention came into force on 14 February 1999.³²

On 9 December 2009, OECD countries (among them Canada) and the eight others who have signed the OECD Anti-Bribery Convention committed to stepping up their fight against bribery and corruption. The 38 countries agreed to put in place new measures (a new Anti-Bribery Recommendation) to reinforce their efforts to prevent, detect and investigate foreign bribery. This includes new provisions for combating small facilitation payments, protecting whistleblowers and improving communication between public officials and law enforcement authorities.³³

Later on, during the Celebrating of International Anti-Corruption Day (9 December 2009), which coincides with the 10th anniversary of the OECD Convention, the Canadian Minister of Foreign Affairs Lawrence Cannon noted that since ratifying the Convention Canada had made significant progress to eliminate bribery of foreign public officials. Given the complexity of investigating international business transactions, the RCMP (Royal Canadian Mounted Police) has established two seven-person international anti-corruption units, based in Ottawa and Calgary.³⁴

Thus, Canada has been awarded a score of +1 for full compliance with the commitment.

Analyst: Julia Ovchinnikova

China: 0

China has partially complied with the G20 commitment on fighting corruption, having ratified the UNCAC.

On 13 January, 2006 China ratified the UNCAC.³⁵

China didn't sign or ratify the OECD Anti-Bribery Convention.³⁶

On 25 October 2009, State Councilor and Secretary-General of the State Council Ma Kai at the closing ceremony of the second corruption-prevention workshop of developing countries in Beijing, said that China is ready to enhance anti-corruption cooperation with countries around the world, especially the developing countries.³⁷

On 10 December 2009, OECD officials said China had given no sign of formally joining the anti-bribery group or the broader organization. Patrick Moulette, head of the OECD's anti-bribery

³⁰ Conference of the States Parties to the United Nations Convention against Corruption. 12.11. 2009. URL: <http://www.unodc.org/unodc/en/treaties/CAC/CAC-COSP-session3.html> (date of access: 13.06.2010).

³¹ Review mechanism // the UNDOC official web site. 13.11.2009. URL: <http://www.unodc.org/unodc/en/treaties/CAC/CAC-COSP-session3-resolutions.html> (date of access: 13.06.2010).

³² OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // OECD Directorate for Financial and Enterprise Affairs. 11.01. 2010. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 13.06.2010).

³³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // OECD Directorate for Financial and Enterprise. 11.01.2010. URL: http://www.oecd.org/document/35/0,3343,en_2649_34487_44232739_1_1_1_1,00.html (date of access: 13.06.2010).

³⁴ Canada Marks International Anti-Corruption Day // Foreign Affairs and International Trade Canada. 09.12.2009. URL: <http://www.international.gc.ca/media/aff/news-communiqués/2009/377.aspx?lang=eng> (date of access: 13.06.2010).

³⁵ United Nations Convention against Corruption // The official web site of the UNODC. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 13.06.2010).

³⁶ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 13.06.2010).

³⁷ China vows to strengthen anti-corruption cooperation with developing nations // National Bureau of Corruption Prevention of China. 25.10.2009. <http://www.nbc.gov.cn/article/English/Updates/200910/20091000004334.shtml> (date of access: 13.06.2010).

secretariat, said the group was “disappointed” by China’s absence from the meetings, which were attended by all the other “major emerging economies.”³⁸

Thus, China has implemented only one part of the commitment and is awarded a score of 0 for partial compliance.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its G20 commitment on fighting corruption.

France signed the United Nations Convention against Corruption (UNCAC) on 9 December 2003 and ratified it on 11 July 2005.³⁹

France participated in the third session of the Conference of the States Parties to the UNCAC, held in Doha from 9 to 13 November 2009, which adopted the terms of reference of the Mechanism for the Review of the UNCAC and Guidelines for governmental experts and the secretariat in the conduct of country reviews.⁴⁰

France ratified the OECD Anti-Bribery Convention on 31 July 2000 and this Convention entered into force it for France on 29 September 2000.⁴¹

Review of Implementation of the OECD Anti-Bribery Convention made by the OECD in 2000 stated that in order to meet the requirements of the Convention the French Parliament adopted the Act of 30 June 2000 on combating bribery, amending the Criminal Code, the Code of Criminal Procedure and the General Tax Code. According to the OECD Working Group on Bribery in International Business Transactions (Working Group) the Act adopted by France generally conforms to the requirements of the Convention.⁴² Phase 2 Report on the Application of the OECD Anti-Bribery Convention adopted in January 2004 contained 13 recommendations on further improvement of the Convention enforcement.⁴³ Follow-up report adopted by the Working Group on 30 March 2006 stated that all but one recommendation had been implemented or dealt with in a satisfactory manner by the French authorities.⁴⁴ The framework established by the Corruption Act of 30 June 2000 was amended by the Anti-Corruption Act of 13 November 2007.⁴⁵ Phase 3 Evaluation of France is scheduled for 2012.⁴⁶

³⁸ China and Russia Lagging in Global Anti-Graft Effort // The New York Times. 10.12.2009. URL: http://www.nytimes.com/2009/12/11/business/global/11corrupt.html?_r=2&adxnnl=1&pagewanted=1&adxnnlx=1268913618-ksMavnmT6BGXgdvnDzp9yw (date of access: 13.06.2010).

³⁹ United Nations Convention against Corruption // The official web site of the UNODC. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 13.06.2010).

⁴⁰ Report of the Conference of the States Parties to the United Nations Convention against Corruption on its third session, held in Doha from 9 to 13 November 2009 // The official web site of the UNODC. 01.12.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access: 13.06.2010).

⁴¹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // The official web site of the OECD. 01.03.2009. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 13.06.2010).

⁴² Review of Implementation of the Convention and 1997 Recommendation. OECD // The official web site of the OECD. <http://www.oecd.org/dataoecd/24/50/2076560.pdf> (date of access: 13.06.2010).

⁴³ France: Phase 2 Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transactions // OECD. URL: <http://www.oecd.org/dataoecd/36/36/26242055.pdf> (date of access: 13.06.2010).

⁴⁴ France: Phase 2 Follow-up Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transaction // OECD. URL: <http://www.oecd.org/dataoecd/36/36/26242055.pdf> (date of access: 13.06.2010).

⁴⁵ Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. FRANCE // The official web site of the OECD. 18.09.2009. URL: <http://www.oecd.org/dataoecd/15/63/42098468.pdf> URL: <http://www.oecd.org/dataoecd/36/36/26242055.pdf> (date of access: 13.06.2010).

⁴⁶ Working Group on Bribery in International Business Transactions Schedule for Phase 3 Evaluations // The official web site of the OECD. URL: <http://www.oecd.org/dataoecd/21/15/45099404.pdf> (date of access: 13.06.2010).

France ratified the UNCAC, adopted the UNCAC review mechanism, and continues to enforce the OECD Anti-Bribery Convention. Thus, it is awarded a score of +1.

Analyst: Mark Rakhmangulov

Germany: 0

The German Government has partially complied with the G20 commitment on fighting corruption, having adopted and enforced the OECD Anti-Bribery Convention.

On 9-13 November 2009 during the Conference of the States Parties to the United Nations Convention against Corruption the German Government as a signatory of this convention was represented by the delegation headed by German Dirk Baumgartner, Ambassador, Embassy of the Federal Republic of Germany in Doha, Qatar. However, Germany did not adopt the effective, transparent and inclusive Mechanism for the Review of Implementation of the United Nations Convention against Corruption.⁴⁷

The German Government ratified the OECD Anti-Bribery Convention on 10 November 1998 and introduced it into force on 15 February 1999.⁴⁸

Thus, Germany has implemented only a part of the commitment and can be awarded a score of 0.

Analyst: Yuriy Zaytsev

India: -1

India has failed to comply with its commitment to adopt and enforce the mechanism against transnational bribery, such as the OECD Anti-Bribery Convention, ratify the UN Convention against Corruption (UNCAC) and adopt an effective, transparent and inclusive mechanism for the review of its implementation during the third Conference of the Parties in Doha.

India has not yet adopted the UN Convention against Corruption, nor the OECD Anti-Bribery Convention.

No information on adoption by India of the mechanism for the review of UNCAC implementation during the third Conference of the UNCAC Parties in Doha has been registered.

Thus, India has not fulfilled the commitment and is awarded a score of -1.

Analyst: Igor Churkin

Indonesia: 0

Indonesia has partially complied with the commitment to adopt and enforce the international instruments to fight against transnational bribery.

The UN Convention against Corruption (UNCAC) was signed and ratified by Indonesia on 18 December 2003 and 19 September 2006 respectively.⁴⁹

During the third Conference of the UNCAC Parties in Doha Indonesia among other countries submitted for consideration the following documents: CAC/COSP/2009/L.7/Rev.2 – a revised draft resolution on corruption preventive measures (along with Austria, Argentina, Brazil, Bulgaria, Finland, Jordan, Morocco, the Netherlands, the United Republic of Tanzania and the United States) and CAC/COSP/2009/L.8/Rev.1 – a revised draft resolution on asset recovery preventive measures (along with Australia, Brazil, Canada, China, Nigeria, Norway, Philippines, Sierra Leone, Switzerland and the

⁴⁷ Conference of the States Parties to the United Nations Convention against Corruption. Third Session. Doha, 9 to 13 November 2009 // The official web site of the United Nations Office on Drug and Crime. 13.11.2010. URL:

http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 28.05.2010).

⁴⁸ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Ratification status as of March 2009 // The official web site of the Organisation for Economic Cooperation and Development. 01.03.2009. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 28.05.2010).

⁴⁹ United Nations Convention against Corruption // The official website of UNODC. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 20.03. 2010).

United States).⁵⁰ The documents represented the outcome of the relevant informal consultations. However, no data on the way Indonesia voted on the adoption of an effective, transparent and inclusive mechanism for the review of the implementation of the UNCAC was available during the monitoring period.

Indonesia has not adopted the OECD Anti-Bribery Convention. However, the OECD Working Group has identified Indonesia for “enhanced engagement” with a view to possible future membership. Among the enhanced engagement countries, Indonesia is a participant in the ADB/OECD Anti-Corruption Initiative for Asia-Pacific.⁵¹

Taking into account all the facts given above, Indonesia has been awarded a score of 0 for partial compliance of the commitment.

Analyst: Maria Tyurikova

Italy: 0

Italy has partially complied with its commitment to adopt and enforce mechanisms against transnational bribery, and to adopt during the third Conference of the Parties in Doha of an effective, transparent, and inclusive mechanism for the review of its implementation.

On 21 May 2009, the UN Convention against Corruption (UNCAC) was ratified by the Draft Law⁵² at the 51 meeting of the Council of Ministers of Italy.⁵³ Law No.116 came into effect on 14 August 2009.⁵⁴ The ratification bill introduced minor amendments to the existing Italian legislation (e.g. asset recovery and corruption prevention provisions). Italy noted that the five mandatory criminalization provisions provided for in articles 15, 16.1, 17, 23 and 25 of the UNCAC are already in place in the Italian legislation.⁵⁵

On 28 October 2009, Italy has submitted the self-assessment report on compliance with the UNCAC for the period from 12 August to 28 October 2009.⁵⁶

On 9-13 November 2009, Italy took part in the Third Session of the Conference of the States Parties to the UNCAC in Doha.⁵⁷ It was the first time Italy participated in the Conference as a “State Party”. However, no facts confirming adoption by Italy during the Conference of an effective, transparent, and inclusive mechanism for the review of the UNCAC implementation have been registered.

⁵⁰ Report of the Conference of the States Parties to the United Nations Convention against Corruption on its third session, held in Doha from 9 to 13 November 2009 // The official website of UNODC. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access: 20.03.2010).

⁵¹ OECD Working Group on Bribery. Annual Report 2008 // The official website of OECD. URL: <http://www.oecd.org/dataoecd/21/24/44033641.pdf> (date of access: 20.03.2010).

⁵² Disegno di legge: Ratifica ed esecuzione della Convenzione delle Nazioni Unite contro la corruzione, adottata dall'Assemblea generale con la Risoluzione 58/4 del 31 ottobre 2003 ed aperta alla firma a Merida dal 9 all'11 dicembre 2003, nonché norme di adeguamento dell'ordinamento interno // The Italian Government. 21.05.2009. URL: http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=45865&pg=1%2C2084%2C4141%2C4478&pg_c=1 (date of access: 05.03.2010).

⁵³ Consiglio dei Ministri n.51 del 21/05/2009 // The Italian Government. 21.05.2009. URL: <http://www.governo.it/Governo/ConsiglioMinistri/dettaglio.asp?d=45842> (date of access: 05.03.2010).

⁵⁴ Legge 3 agosto 2009, n. 116 // The Italian Parliament. 03.08.2009. URL: <http://www.parlamento.it/parlam/leggi/09116l.htm> (date of access: 05.03.2009).

⁵⁵ Accountability Report: Implementation Review of G8 Anti-Corruption Commitments // The official website of the G8 Summit 2009. 10.07.2009. URL: http://www.g8italia2009.it/static/G8_Allegato/2009_Accountability_Report_Final%5B1%5D.0.pdf (date of access: 25.04.2010).

⁵⁶ Self-assessment reports submitted as at 28 October 2009 // The official website of the UN Office on Drugs and Crime. 28.10.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0987463e.pdf> (date of access: 05.03.2010).

⁵⁷ Report of the Conference of the States Parties to the United Nations Convention against Corruption on its third session, held in Doha from 9 to 13 November 2009 // The UN Office on Drugs and Crime. 01.12.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access: 05.03.2010).

On 1 March 2010, the Council of Ministers approved “Intentions on prevention of corruption and illegal activities in public administration” Bill. The Minister for public administration and innovation Renato Brunetta explained that due to adopted measures they intended to better observe prescriptions of the UNCAC. Notably, the National plan on fighting against corruption being part of the Bill fulfils an item of article 5 of the UNCAC.⁵⁸

The OECD Anti-Bribery Convention was adopted by Italian Government on 15 December 2000 and entered into force on 13 February 2001.⁵⁹

Since the year 2000, Italy has enacted and implemented the principles introduced by the OECD Anti-bribery Convention. Fully committed to the Convention’s principles and strategies, Italy has engaged in the enforcement and implementation of a policy strategy aimed at fighting against corruption. The Italian Ministry of Foreign Affairs has promoted on its website an advocacy and awareness campaign on the OECD Convention by creating a portal “Recommendations for economic operators abroad for the prevention of foreign bribery”. This website addressed to the business community and explains principles of the OECD Convention, the risks arising from non-compliance with it, and the preventive action to avert the phenomenon of corruption itself.⁶⁰ However, no specific actions to enforce the OECD Anti-Bribery Convention have been registered during the compliance cycle.

Italy has been awarded a score 0 for partial compliance with the commitment.

Analyst: Anna Vekshina

Japan: 0

Japan has partially complied with its commitment to adopt and enforce the laws against transnational bribery.

Japan has failed to ratify the UNCAC thus far, though it signed the Convention in December 2003.⁶¹ As an observer state Japan took part in the third Conference of the Parties in Doha, held on 9 to 13 November 2009, aimed at the adoption of an effective, transparent, and inclusive mechanism for the review of UNCAC implementation.⁶²

26 October 2009, Prime Minister Yukio Hatoyama gave a Policy Speech at the 173rd Session of the Diet, and pledged to prohibit such corruptive practices as amakudari (the hiring of retired bureaucrats by companies and other organizations that they used to oversee) and watari (movement between such jobs), and proactively implement the public disclosure and provision of administrative information to the public. “We will also promote open decision-taking on public policy through the participation of the public by soliciting policy proposals from them”, he added. These measures are expected to make policy making more transparent and eradicate corruption among public officials at the national level.⁶³

⁵⁸ Nuove norme anticorruzione approvate dal Consiglio dei Ministri // The official website of the Ministry for Interior. 01.03.2010. URL:

http://www.interno.it/mininterno/export/sites/default/it/sezioni/sala_stamp/notizie/pubblica_amministrazione/00940_2010_03_01_anticorruzione.html (date of access: 05.03.2010).

⁵⁹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Ratification status as of March 2009. // The Organization of Economic Cooperation and Development. URL:

<http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 07.03.2010).

⁶⁰ Accountability Report: Implementation Review of G8 Anti-Corruption Commitments // The official website of the G8 Summit 2009. 10.07.2009. URL:

http://www.g8italia2009.it/static/G8_Allegato/2009_Accountability_Report_Final%5B1%5D.0.pdf (date of access: 25.04.2010).

⁶¹ Signatories to the United Nations Convention against Corruption // the official web site of the United Nations Office on Drugs and Crime. 25.04.2010. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 07.06.2010).

⁶² Final list of participants – Conference of the States Parties to the United Nations Convention against Corruption // the official web site of the United Nations Office on Drugs and Crime. 13.11.2009. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 07.06.2010).

⁶³ Policy Speech by Prime Minister Yukio Hatoyama at the 173rd Session of the Diet // Prime Minister of Japan. 26.10.2009. URL: http://www.kantei.go.jp/foreign/hatoyama/statement/200910/26syosin_e.html (date of access: 07.06.2010).

On 26 March 2010, Prime Minister Yukio Hatoyama at the press-conference outlined three main policy tenets, one of which is “opening up the bureaucracy”. In addition to the measures indicated earlier, it includes opening to the private sector and private citizens those areas of work which used to be solely areas for the public sector. The Cabinet will disclose information on the Cabinet Secretariat's so-called secret discretionary funds, financed by tax revenues.⁶⁴

Although some positive steps were taken at national level, Japan has demonstrated a sluggish progress in fighting transnational bribery, and has been awarded a score of 0.

Analyst: Ekaterina Maslovskaya

Republic of Korea: +1

The Republic of Korea has signed and ratified the UNCAC and the OECD Anti-Bribery Convention. It also took part in the third Conference of the Parties in Doha.

On 17 December 1997, the Republic of Korea signed the OECD Anti-Bribery Convention.⁶⁵ On 28 December 1998, the Korean Government enacted implementing legislation, having adopted the Act on Preventing Bribery of Foreign Public Officials in International Business Transactions (“FBPA”).⁶⁶ On 15 February 1999, the FBPA was entered into force.⁶⁷

On 4 January 1999, Korea deposited the instrument of ratification with the OECD.⁶⁸ On 5 March 1999, Korea's parliament ratified the Convention.⁶⁹ Korean Government has undertaken further actions to enforce the OECD Anti-Bribery Convention: in August 2001, the Anti-Corruption act enacted;⁷⁰ in January 2002, the Korea Independent Commission against Corruption (KICAC) was established⁷¹; in September 2001, the Proceeds of Crime Act and the Financial Transactions Reports Act, two anti-money laundering laws enacted⁷²; in March 2001, the Act on Real Name Financial Transactions and Guarantee of Secrecy enacted⁷³; in November 2001, the Korea Financial Intelligence Unit was established⁷⁴; on 29 February 2008, the Anti-Corruption and Civil Rights Commission (ACRC) was

⁶⁴ Press Conference by Prime Minister Yukio Hatoyama // Prime Minister of Japan. 26.03.2010. URL: http://www.kantei.go.jp/foreign/hatoyama/statement/201003/26kaiken_e.html (date of access: 07.06.2010).

⁶⁵ Review of Implementation of the Convention and 1997 Recommendation // The official web site of the OECD. URL: <http://www.oecd.org/dataoecd/15/6/2388296.pdf> (date of access: 13.06.2010).

⁶⁶ Review of Implementation of the Convention and 1997 Recommendation // The official web site of the OECD. URL: <http://www.oecd.org/dataoecd/15/6/2388296.pdf> (date of access: 13.06.2010).

⁶⁷ Review of Implementation of the Convention and 1997 Recommendation // The official web site of the OECD. URL: <http://www.oecd.org/dataoecd/15/6/2388296.pdf> (date of access: 13.06.2010).

⁶⁸ Review of Implementation of the Convention and 1997 Recommendation // The official web site of the OECD. URL: <http://www.oecd.org/dataoecd/15/6/2388296.pdf> (date of access: 13.06.2010).

⁶⁹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Ratification status // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 13.06.2010).

⁷⁰ Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transactions // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/17/13/33910834.pdf> (date of access: 13.06.2010).

⁷¹ Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transactions // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/17/13/33910834.pdf> (date of access: 13.06.2010).

⁷² Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transactions // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/17/13/33910834.pdf> (date of access: 13.06.2010).

⁷³ Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transactions // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/17/13/33910834.pdf> (date of access: 13.06.2010).

⁷⁴ Report on the Application of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the 1997 Recommendation on Combating Bribery in International Business Transactions // The official web site of the OECD. 01.03.2010. URL: <http://www.oecd.org/dataoecd/17/13/33910834.pdf> (date of access: 13.06.2010).

launched by the integration of the Ombudsman of Korea, the Korea Independent Commission against Corruption and the Administrative Appeals Commission.⁷⁵

On 10 December 2003 the Republic of Korea signed the UNCAC.⁷⁶ On 27 March 2007 the UNCAC was ratified⁷⁷.

From 9 to 13 November 2009, the Republic of Korea took part in the third session of the Conference of the States Parties to the UNCAC. Korea was presented by senior officials from the Anti-Corruption and Civil Rights Commission, the Ministry of Foreign Affairs and Trade and the Prosecutor's Office. Korea has adopted an effective, transparent, and inclusive mechanism for the review of UNCAC implementation.⁷⁸

Thus, the Republic of Korea is awarded a score of +1 for adoption and enforcement of laws against transnational bribery, the OECD Anti-Bribery Convention, and the ratification of the UN Convention against Corruption (UNCAC), and the adoption during the third Conference of the Parties in Doha of an effective, transparent, and inclusive mechanism for the review of its implementation.

Analyst: Alexander Simonov

Mexico: +1

Mexico has fully complied with its G20 commitment on fighting corruption, having ratified and implemented both UNCAC and OECD Anti-Bribery Convention.

Since 1996 Mexico has allied itself with the fight against corruption by being a part of the anti-corruption conventions of the United Nations (UN) and the Organization for Economic Co-operation and Development (OECD).⁷⁹

On 9 December 2003, Mexico signed the UNCAC. On 29 April 2004 the Mexican Senate ratified the Convention. On 20 July 2004 Mexico deposited its instrument of ratification. On 14 December 2005 the UNCAC came into force.⁸⁰

Mexico took an active part in creating the review mechanism. Mexico has introduced the draft resolution on the mechanism for the review of implementation of the UNCAC before the Conference of the States Parties to the UNCAC.⁸¹ On 9 - 13 November 2009, Mexico participated in the Conference of the States Parties to the UNCAC and was represented by G.A. Hernandez Salmeron, Deputy Director General for Global Issues, Ministry of Foreign Affairs, Head of the Delegation B.G. Hill Mayoral, Holder for the Transparency Unit Policy and International Cooperation, Minister of Public Duties.⁸² Mexico adopted the Terms of reference of the UNCAC review mechanism.⁸³

⁷⁵ The official website of the Anti-Corruption and Civil Rights Commission. URL: http://www.acrc.go.kr/eng_index.html (date of access: 13.06.2010).

⁷⁶ United Nations Convention against Corruption // UNDOC. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 28.05.2010).

⁷⁷ United Nations Convention against Corruption // UNDOC. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 28.05.2010).

⁷⁸ Conference of the States Parties to the United Nations Convention against Corruption. Third Session. Doha, 9 to 13 November 2009 // the official web site of the United Nations Office on Drug and Crime. 13.11.2010. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 28.05.2010).

⁷⁹ Anti-Corruption Conventions in Mexico // International Anti-corruption Conventions. 15.01.2010 URL: <http://www.anticorrupcion.org.mx/en/convenciones.html> (date of access: 28.05.2010).

⁸⁰ International Anti-corruption Conventions. 15.01.2010 URL: <http://www.anticorrupcion.org.mx/en/ONUconvenciones.html> (date of access: 28.05.2010).

⁸¹ Report of the Conference of the States Parties to the UNCAC on its third session, held in Doha from 9 to 13 November 2009 // UNDOC. 01.12.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access: 28.05.2010).

⁸² Final List of Participants. Conference of the States Parties to the UNCAC. Third Session. Doha // UNDOC. 13.11.2009. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 28.05.2010).

On 9 November 2009, Mexican civil society coalitions took an active position and called for adoption of the effective review mechanism during the third Conference of the UNCAC Parties in Doha. The civil society was represented by the following organizations: Equipo Pueblo A.C., FUNDAR, Transparencia Mexicana, Global Campaign against Poverty – Mexico.⁸⁴

On 28 January 2010, the UNDOC and the Government of the Chiapas (southernmost state of Mexico) signed the framework Agreement.⁸⁵ The signed Agreement creates the necessary base for UNDOC cooperation and for strengthening institutional capacities in Chiapas in the issues addressed, in particular, to the anti corruption campaign.⁸⁶

On 15 April 2010, Sr. Antonio-Maria Costa, Executive director of UNODC, and Sr. Antonio L. Mazzitelli, regional representative of UNODC to Mexico, Central America and Caribbeans, met with the Head of Government of the Federal District⁸⁷ Marcelo Luis Ebrard Casaubón⁸⁸. The subject of the meeting was strengthening of cooperation between UNODC and Mexico regarding security issues, including corruption.⁸⁹

On 21 November 1997, Mexico signed OECD Anti-Bribery Convention. On 22 April 1999, the Convention was ratified by the Mexican Senate. On 27 May 1999, Mexico deposited its instrument of ratification. On 26 July 1999, the Convention came into force in Mexico.⁹⁰

According to the Recommendations Mexico should inform regularly on its work and activities and on implementation of the OECD Anti-Bribery Convention.⁹¹ For this purpose on International Anti-Corruption Day, 9 November 2009 the Mexican government organized the official ceremony, lead by Patricia Espinosa, Mexican Chancellor, which included three panels with leading personalities and experts, including public and private sector experts, NGOs, universities, media and chambers of commerce.⁹²

The Mexican Government paid a considerable attention to anti-bribery actions. On 30 April 2010 on the opening ceremony for “Answers of Time: 200 years of Mexican governance”, José Guadalupe Osuna Millán, the Baja California governor highlighted the enhancement of anti-bribery mechanisms and the key goal of the Government to increase transparency and efficiency of its operations.⁹³

⁸³ Follow-Up Mechanism for the UNCAC // International Anti-corruption Conventions. URL:

<http://www.anticorrupcion.org.mx/en/ONUmec.html> (date of access: 28.05.2010).

⁸⁴ Communication received by the UNODC related to work of the Conference of the States Parties to the UNCAC // UNDOC. 12.11.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/0987922.pdf> (date of access: 21.04.2010).

⁸⁵ Chiapas is one of the 31 States together with the Federal District (el Distrito Federal), that make up the 32 States of Mexico.

⁸⁶ Firma del Acuerdo Marco de Cooperación entre el Gobierno del Estado de Chiapas // UNODC. 29.01.2010. URL: <http://www.unodc.org/mexico/es/nota29ene2010.html> (date of access: 21.04.2010).

⁸⁷ The Federal District is one of the 32 States of Mexico.

⁸⁸ Marcelo Luis Ebrard Casaubón is the current Head of Government of the Federal District since December 5, 2006. He is a Mexican politician affiliated to the Party of the Democratic Revolution (PRD) who served as Secretary-General of the former Mexican Federal District Department, minister of public security and minister of social development of the Mexican capital. He was the successful candidate of the PRD-led electoral alliance to serve as Head of Government of the Federal District in the 2006 Federal District election.

⁸⁹ Reunión entre el Gobierno del Distrito Federal y UNODC // UN Office on Drugs and Crime. 15.04.2010 URL: <http://www.unodc.org/mexico/es/notadfl5abr2010.html> (date of access: 21.04.2010).

⁹⁰ International Anti-corruption Conventions. 15.01.2010. URL: <http://www.anticorrupcion.org.mx/en/OCDEconvenciones.html> (date of access: 21.04.2010).

⁹¹ Recommendations of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions // The official web site of the OECD. 26.11.2009. URL: <http://www.oecd.org/dataoecd/11/40/44176910.pdf> (date of access: 21.04.2010).

⁹² UNODC. 15.11.2009. URL: <http://www.unodc.org/yournocounts/en/events/index.html#mexico> (date of access: 21.04.2010).

⁹³ Combate la corrupcion y atencion eficaz al ciudadano, la mayor manera de celebrar el bicentenario: vega casillas. Secretaría de la Función Pública 30.04.2010. URL: <http://www.funcionpublica.gob.mx/index.php/sala-de-prensa/abril-2010/comunicado-300410.html> (date of access: 30.04.2010).

Thus, Mexico has fully complied with this commitment and gets a score of +1.

Analyst: Natalya Zlokazova

Russia: +1

Russia has fully complied with its commitment to call for the adoption and enforcement of laws against transnational bribery, such as the OECD Anti-Bribery Convention and the UN Convention against Corruption (UNCAC) and the adoption of an effective mechanism of the review during the third Conference of the Parties in Doha.

On 9 May 2006, the Russian Federation ratified the United Nations Convention against Corruption (UNCAC)⁹⁴.

From 25 August till 2 September 2009, the official delegates from Russia participated in the Open-ended Intergovernmental Working Group on Review of the Implementation of the United Nations Convention against Corruption in Vienna.⁹⁵

On November 2009, Russia participated in the third session of the Conference of States Parties to the UNCAC in Doha, Qatar, where Russia was represented by the Ministry of Foreign Affairs and the Ministry of Justice.⁹⁶ During the conference Russia blocked the adoption of a mechanism for monitoring the implementation of the Convention by countries that are parties to it.⁹⁷ However, after a session of discussions a compromise was reached - mutual inspections would still be conducted, but not once every five years as was initially planned, but only given the consent of the country to be inspected. The report on the inspection results would be published, but not publicly. Participation of NGOs in the inspections would not be obligatory, but preferable.⁹⁸

On 9 December, during the celebration of the 10th Anniversary of OECD Anti-Bribery Convention, Angel Gurría the Secretary-General of the OECD declared that Russia had officially requested to join the OECD Convention.⁹⁹ All necessary documents were given to OECD in June 2009.¹⁰⁰

Russia has ratified the UNCAC, declared the willingness to join the OECD Anti-Bribery Convention and adopted the Review Mechanism. Thus, Russia has been awarded a score of +1.

Analyst: Yulia Ovchinnikova

Saudi Arabia: -1

Saudi Arabia has failed to comply with its commitment to adopt and enforce laws against transnational bribery, such as the OECD Anti-Bribery Convention, to ratify the UN Convention against Corruption (UNCAC) and to adopt during the third Conference of the Parties in Doha an effective, transparent, and inclusive mechanism for the review of its implementation.

⁹⁴ United Nations Convention against Corruption // United Nations Office on Drugs and Crime. URL: <http://www.unodc.org/unodc/en/treaties/CAC/index.html> (date of access: 30.04.2010).

⁹⁵ The Open-ended Intergovernmental Working Group on Review of the Implementation of the United Nations Convention against Corruption // United Nations Office on Drugs and Crime. 25.11.2009. URL: http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf (date of access: 30.04.2010).

⁹⁶ Participants, Global Forum VI on Fighting Corruption and Safeguarding Integrity. 27.11.2009. <http://www.gf6.pp.gov.qa/participants.htm> (date of access: 30.04.2010).

⁹⁷ Russia pretends to fight corruption // RIA Novosti. 18.11.2009. URL: <http://en.rian.ru/analysis/20091118/156893864.html> (date of access: 30.04.2010).

⁹⁸ Russia pretends to fight corruption // RIA Novosti. 18.11.2009. URL: <http://en.rian.ru/analysis/20091118/156893864.html> (date of access: 30.04.2010).

⁹⁹ OECD greeted the Russia's desire to join the OECD Anti-Bribery Convention // The National Council for Combating Corruption and Organized Crime. 10.12.2009. URL: <http://osbr.ru/news/85/> (date of access: 30.04.2010).

¹⁰⁰ The date of Russia's acceptance to OECD Anti-Bribery Convention depends majorly on Moscow // The Voice of Russia. 09.12.2010. URL: <http://rus.ruvr.ru/2009/12/09/2962910.html> (date of access: 30.04.2010).

Despite signing the UNCAC in 2004, Saudi Arabia still has not ratified it. At the Conference of the States Parties to the United Nations Convention against Corruption the country was represented just as an observer¹⁰¹.

No facts of forthcoming adoption or enforcement of the OECD Anti-Bribery Convention during the compliance cycle have been registered.

Thus Saudi Arabia has been awarded a score of -1, having failed to meet any feature of the commitment.

Analyst: Maria Datsik

South Africa: +1

South Africa has fully complied with its commitment to call for the adoption and enforcement of laws against transnational bribery and the adoption of the Review Mechanism at the Third Conference of Parties in Doha. The President of South Africa Jacob Zuma in his State of the Nation Address declared this year, “The year of action”, during which focus will be placed on implementation. The government will step up anti corruption measures and ensure that offenders are brought to book. Corruption relating to dockets being lost, bail payments, identity documentation, court cases and the illegal release of detainees will be fought through strengthening of internal risk management.¹⁰² The work on implementation of commitment by South Africa is represented by a number of actions.

South Africa signed the United Nations Convention against Corruption (UNCAC) on 9 December 2003 and ratified it on 22 November 2004¹⁰³.

On 9 December 2009, during the Celebrating of International Anti-Corruption Day the United Nations Office on Drugs and Crime (UNODC) Southern Africa representative Jonathan Lucas called on other countries in Africa to implement the United Nations Convention Against Corruption (UNCAC).¹⁰⁴

On 7-8 November 2009, South Africa participated in the Sixth Global Forum on Fighting Corruption and Safeguarding Integrity in Doha and among other participants adopted the Review Mechanism.¹⁰⁵ It also adopted the new transparent Review Mechanism.¹⁰⁶

On 19 June 2007, South Africa adopted the OECD Anti-Bribery Convention. The Convention came into force 18 August 2007.¹⁰⁷

In November 2009, building on the success of the Convention, the 38 parties (the 30 OECD member countries and the following non-OECD countries: Argentina, Brazil, Bulgaria, Chile, Estonia, Israel, Slovenia and South Africa) agreed to a new Anti-Bribery Recommendation. With new measures for combating small facilitation payments, for protecting whistleblowers, and for improving lines of

¹⁰¹ Report of the Conference of the States Parties to the United Nations Convention against Corruption on its third session, held in Doha from 9 to 13 November 2009 // United Nations Office on Drugs and Crime. 01.12.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access: 23.04.2010).

¹⁰² Media briefing for Justice, Crime Prevention and Security Cluster presented by Minister of Justice and Constitutional Development J Radebe // South African Government Information. 04.03.2010. URL: <http://www.info.gov.za/speeches/2010/10030410451001.htm> (date of access: 30.04.2010).

¹⁰³ United Nations Convention against Corruption // United Nations Office on Drugs and Crime. 25.11.2009. URL: <http://www.unodc.org/unodc/en/treaties/CAC/index.html> (date of access: 30.04.2010).

¹⁰⁴ Development-Africa: Corruption: A Crime Against Development // Global Issues. 09.12.2009. URL: <http://www.globalissues.org/news/2009/12/09/3840> (date of access: 30.04.2010).

¹⁰⁵ Participants, Global Forum VI on Fighting Corruption and Safeguarding Integrity. 04.03.2010. URL: <http://www.gf6.pp.gov.qa/participants.htm> (date of access: 30.04.2010).

¹⁰⁶ Third session of the Conference of the States Parties to the United Nations Convention against Corruption // United Nations Office on Drugs and Crime. 09.11.2009. URL: <http://www.unodc.org/unodc/en/treaties/CAC/CAC-COSP-session3-resolutions.html> (date of access: 20.03.2010).

¹⁰⁷ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // OECD Directorate for Financial and Enterprise Affairs. 11.01.2010. URL: http://www.oecd.org/document/21/0,3343,en_2649_34859_2017813_1_1_1_1,00.html (date of access: 20.03.2010).

communication between public officials and law enforcement authorities, the Recommendation improves the ability to prevent, detect and prosecute foreign bribery.¹⁰⁸

Thus, South Africa has been awarded a score of +1 for ratification of both conventions (UNCAC and OECD Convention), adopting new Review Mechanism in Doha and further work on enforcement of OECD Anti-Bribery Convention.

Analyst: Julia Ovchinnikova

Turkey: +1

Turkey has fully complied with its commitment to adopt and enforce laws against transnational bribery, such as the OECD Anti-Bribery Convention, and the ratification of the UN Convention against Corruption (UNCAC).

Republic of Turkey signed the UNCAC on 10 December 2003 and ratified it on 9 November 2006.¹⁰⁹

According to Berlin-based Transparency International's (TI) Corruptions Perception Index (CPI) 2009, which measures domestic public sector corruption, Turkey's performance has slumped, dropping to number 61 from number 58 on the list.¹¹⁰

Turkey participated during the third Conference of the UNCAC Parties in Doha and associated itself with the statement of the representative of Sweden who had a speech on behalf of the States Members of the UN.¹¹¹ During the third Conference of the Parties in Doha it also adopted an effective, transparent, and inclusive mechanism for the review of its implementation.¹¹²

Republic of Turkey adopted the OECD Anti-Bribery Convention on 26 July 2000 and enforced it on 24 September 2000.¹¹³

Turkey has made significant progress in its efforts to combat bribery in international business deals by fully implementing all but one of the recommendations made by the OECD Working Group on Bribery since 2007, earning praise from the other 37 countries that are Party to the OECD Anti-Bribery Convention at a recent meeting in Paris. On 25 March 2010 Turkish representatives said at the meeting that the remaining recommendation would also be fully implemented as soon as a draft law on the scope of external company audits was adopted by Parliament.¹¹⁴

In conclusion, the Working Group on Bribery is of the opinion that Turkey fully implemented all of the Phase 2 and Phase 2bis Recommendations, except Phase 2 Recommendation 5(b) on broadening the scope of external audits, which is partially implemented. The Working Group will continue to follow-up Turkey's progress in implementing the OECD Anti-Bribery Convention in its regular *tour de table*, in particular regarding the three ongoing investigations and allegations in the IIC Final Report

¹⁰⁸ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions // OECD Directorate for Financial and Enterprise Affairs. 11.01.2010. URL:

http://www.oecd.org/document/35/0,3343,en_2649_34487_44232739_1_1_1_1,00.html (date of access: 20.03.2010).

¹⁰⁹ United Nations Convention against Corruption // The official website of the United Nations Office on Drugs and Crime. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>. (date of access 18.11.2009)

¹¹⁰ Turkey's status worsens on global corruption list // TODAY's ZAMAN NEWS. URL: <http://www.todayszaman.com/tz-web/news-193276-turkeys-status-worsens-on-global-corruption-list.html> (date of access 18.11.2009)

¹¹¹ Report of the Conference of the States Parties to the United Nations Convention against Corruption on its third session, held in Doha from 9 to 13 November 2009 // The official website of the United Nations Office on Drugs and Crime. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access 01.12.2009)

¹¹² Conference of the States Parties to the United Nations Convention against Corruption. Third Session. Doha, 9 to 13 November 2009 // the official web site of the United Nations Office on Drug and Crime. 13.11.2010. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 28.05.2010).

¹¹³ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Ratification status as of March 2009. // The official website of the OECD. URL:

<http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 18.11.2009).

¹¹⁴ Turkey - OECD welcomes efforts to tackle bribery in international business deals // The official website of the OECD. URL: http://www.oecd.org/document/58/0,3343,en_2649_34859_44856378_1_1_1_37447,00.html (date of access: 25.03.2010)

into the UN Oil-for-Food Programme. The Working Group will also follow-up closely implementation of the new provisions on corporate liability.¹¹⁵

Thus Turkey has been awarded a score of +1 for full compliance with the commitment.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The UK ratified both the OECD Anti-Bribery Convention and of the UN Convention against Corruption (UNCAC) and did important work in their enforcement.

The UK ratified the UNCAC on 9 December 2006.¹¹⁶ In November 2009, the UK took part in the third Conference of the UNCAC Parties in Doha.¹¹⁷ The UK's objective for the meeting was, inter alia, to secure an effective, credible process to review implementation of UNCAC.¹¹⁸ UK's position on the review mechanism was that that an effective review mechanism was necessary for UNCAC to be a credible tool in the global fight against corruption, and it was important to conclude the Conference with such a review mechanism in place.¹¹⁹ In October 2009, the UK also took part in the project in order to assist the Conference in reaching a decision on the establishment of an appropriate review mechanism¹²⁰ and submitted the self-assessment report for the UN Convention against Corruption.¹²¹

In the UK the OECD Anti-Bribery Convention was ratified on 14 December 1998 and entered into force on 15 February 1999.¹²² In 2010 the UK has passed new legislation to enforce anti-bribery work and compliance with the OECD Convention. In January 2010, the UK Government launched UK Foreign bribery strategy, which included a range of government measures to reduce the involvement of UK nationals and companies in foreign bribery.¹²³ According to Rt Hon Jack Straw MP, Lord Chancellor and Secretary of State for Justice, the new strategy is also to bolster the anti-bribery work of the UK with international agencies and supported developing countries.¹²⁴

¹¹⁵ Turkey: Follow-up report on the implementation of the PHASE 2 & PHASE 2bis recommendations. (This report was approved and adopted by the Working Group on Bribery in International Business Transactions on 19 March 2010. // The official website of the OECD. URL: <http://www.oecd.org/dataoecd/47/16/44866155.pdf> (date of access: 20.05.2010).

¹¹⁶ United Nations Convention against Corruption // The official website of United Nations Office on Drugs and Crime. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 23.03.2010).

¹¹⁷ Report of the Conference of the States Parties to the United Nations Convention against Corruption on its third session, held in Doha from 9 to 13 November 2009 // The official website of United Nations Office on Drugs and Crime. 01.12.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0988538e.pdf> (date of access: 23.03.2010).

¹¹⁸ UN Convention Against Corruption – a global response to a global problem // The official website of Department for International Development. URL: <http://webarchive.nationalarchives.gov.uk/+http://www.dfid.gov.uk/mdg/corruption-uncac.asp> (date of access: 23.03.2010).

¹¹⁹ Terms of Reference for a Review Mechanism for UNCAC: Comments from the United Kingdom // The official website of United Nations Office on Drugs and Crime. URL: http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/22-24September/United%20Kingdom_E.pdf (date of access: 23.03.2010).

¹²⁰ Good practices and lessons learned from implementing the UNCAC Pilot Review Programme // The official website of United Nations Office on Drugs and Crime. 22.10.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0987359e.pdf> (date of access: 23.03.2010).

¹²¹ Self-assessment reports submitted as at 28 October 2009: 87 Member States, of which 84 are parties to the Convention, 60 per cent response rate // The official website of United Nations Office on Drugs and Crime. 28.10.2009. URL: <http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/V0987463e.pdf> (date of access: 23.03.2010).

¹²² OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Ratification status as of March 2009 // The official website of OECD. URL: <http://www.oecd.org/dataoecd/59/13/40272933.pdf> (date of access: 23.03.2010).

¹²³ Foreign bribery strategy // The official website of Ministry of Justice. 19.01.2010. URL: <http://www.justice.gov.uk/publications/foreign-bribery-strategy.htm> (date of access: 23.04.2010).

¹²⁴ Bribery: Impact and Prevention // Chatham House (London). 19.01.2010. URL: http://www.chathamhouse.org.uk/files/15734_190110straw.pdf (date of access: 23.03.2010).

On 8 April 2010, the new Bribery Act after receiving Royal Assent became a law. The Act will provide a more effective legal framework to combat bribery.¹²⁵ The passage into law of the UK Bribery Bill was welcomed by the OECD Secretary-General Angel Gurría.¹²⁶ The Bribery Act is to make the United Kingdom (UK) compliant with the 1997 OECD Anti-Bribery Convention.¹²⁷

Thus, the score of the UK for the fulfillment of this commitment is +1, the UK having ratified both conventions, played active role in adopting a mechanism for the review of the UNCAC implementation during the third Conference of the Parties in Doha and passed the new legislation to enforce the OECD Anti-Bribery Convention.

Analyst: Natalia Churkina

United States: +1

The USA have fully complied with the G20 commitment on fighting corruption.

The USA ratified the INCAC on 30 October 2006.¹²⁸

The USA participated in the third Conference of the UNCAC Parties in Doha on 9-13 November 2009¹²⁹ and adopted an effective, transparent, and inclusive mechanism for the review of its implementation¹³⁰. The USA representatives at Doha also brought together a wide coalition of countries to agree to a framework to support implementation of the Asset Recovery chapter of UNCAC.¹³¹

The USA adopted the OECD Anti-Bribery Convention in 1997.¹³²

The USA ratified OECD Anti-Bribery Convention in 1998 and enforced it in 1999. According to Transparency International, enforcement in the United States dwarfs that of the rest of the world.¹³³ The United States have been a leader in the OECD monitoring process. USA's participation in the mechanism has centered on promoting enforcement by the other parties, all of which now have laws criminalizing the bribery of foreign public officials.¹³⁴

Thus, the USA have demonstrated compliance to all requirements of the commitment, therefore the score is +1.

Analyst: Tatyana Lanshina

European Union: 0

The EU has partially complied with the commitment on fighting corruption, having ratified the UNCAC.

¹²⁵ Bribery Act 2010, // The official website of Ministry of Justice. 08.04.2010. URL: <http://www.justice.gov.uk/publications/bribery-bill.htm> (date of access: 23.04.2010).

¹²⁶ OECD's Gurría welcomes passage into law of UK Bribery Bill // The official website of OECD. 08.04.2010. URL: http://www.oecd.org/document/14/0,3343,en_2649_37447_44960206_1_1_1_1,00.html (date of access: 23.04.2010).

¹²⁷ Bribery Bill // Transparency International UK. URL: <http://www.transparency.org.uk/component/content/article/91> (date of access: 23.03.2010).

¹²⁸ United Nations Convention against Corruption. URL: <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (date of access: 04.05.2010).

¹²⁹ Final List of Participants, Conference of the State Parties to the United Nations // UNODC. 13.11.2009. Date URL: <http://www.unodc.org/unodc/en/treaties/CAC/CAC-COSP-session3.html> (date of access: 04.05.2010).

¹³⁰ Conference of the States Parties to the United Nations Convention against Corruption. Third Session. Doha, 9 to 13 November 2009// the official web site of the United Nations Office on Drug and Crime. 13.11.2010. URL: http://www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf (date of access: 28.05.2010).

¹³¹ Keeping Foreign Corruption Out of the United States: Four Case Studies // U.S. Department of State. 04.02.2010. URL: <http://www.state.gov/p/inl/rls/rm/136527.htm> (date of access: 04.05.2010).

¹³² Transparency International USA. URL: <http://www.transparency-usa.org/who/mission.html> (date of access: 4 May 2010).

¹³³ Crackdown on BAE, Corruption and Accountability 3 February 2010. <http://corruption.foreignpolicyblogs.com/tag/oecd-anti-bribery-convention/> (date of access: 4 May 2010).

¹³⁴ Keeping Foreign Corruption Out of the United States: Four Case Studies // U.S. Department of State. 04.02.2010. URL: <http://www.state.gov/p/inl/rls/rm/136527.htm> (date of access: 4 May 2010).

The EU signed and ratified the UNCAC on 15 September 2005 and on 12 November 2008 correspondingly.

At its meeting on 6 and 7 October 2009 the Article 36 Committee (CATS) confirmed the agreement reached on a draft Council Common position on the UN Convention against Corruption (UNCAC) in view of the Third Conference of the States Parties to the Convention, as set out in 11452/2/09 REV 2 CRIMORG 104 CONUN 63 JAIEX 50 (RESTREINT UE).¹³⁵

At the Multidisciplinary Group on Organized Crime held on 14th of January 2010, the need to coordinate action in the context of the Implementation Review Group for the UN Nations Convention Against Corruption (UNCAC) was highlighted¹³⁶.

The EU hasn't adopted the OECD Anti-Bribery Convention at the EU-level, but referred to it as the most far-reaching international legal instrument in combating corruption.¹³⁷ Also in the Communication on Delivering an area of freedom, security and justice for Europe's citizens: Action Plan Implementing the Stockholm Programme COM(2010) 171 final, it is planned to implement till 2011 the actions in the sphere of economic crime and corruption, notably the Communication on a comprehensive policy against corruption in Member States, including the establishment of an evaluation mechanism as well as presenting modalities of cooperation with the Council of Europe's Group of States against Corruption (GRECO) for that purpose¹³⁸.

The EU has undertaken the actions on implementation of the UNCAC, but not the OECD Anti-Bribery Convention. Thus, it receives a score of 0 for partial compliance with the commitment.

Analyst: Arina Shadrikova

¹³⁵ Council of the European Union. Adoption of draft Council Common Position on the UN Convention against Corruption. URL: <http://register.consilium.europa.eu/pdf/en/09/st14/st14176.en09.pdf> (date of access: 4 May 2010).

¹³⁶ Outcome of Proceedings of Multidisciplinary Group on Organised Crime // Council of the European Union. 04.02.2010, URL: <http://register.consilium.europa.eu/pdf/en/10/st06/st06061.en10.pdf> (date of access: 4 May 2010).

¹³⁷ Commission Staff Working Document: Combating Child Labour SEC(2010) 37 final. // European Commission. Brussels. 14.01.2010. URL: <http://register.consilium.europa.eu/pdf/en/10/st05/st05380.en10.pdf> (date of access: 04.05.2010).

¹³⁸ Delivering an area of freedom, security and justice for Europe's citizens: Action Plan Implementing the Stockholm Programme, Communication from the Commission to the European Parliament Brussels. 8895/10 JAI 335 COM(2010) 171 final.// the Council, the European Economic and Social Committee and the Committee of the Regions. 22.04.2010. URL: <http://register.consilium.europa.eu/pdf/en/10/st08/st08895.en10.pdf> (date of access: 04.05.2010).

2. Clean Technologies: Development and Research

87 – [We commit to] Take steps to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity.

G20 Leaders' Statement: The Pittsburgh Summit

Background

Commitments to develop and diffuse clean energy and less carbon intensive technologies in all areas of energy production have been a staple of G8 Summits. Historically, the G8's focus on innovations in energy-producing technology has been motivated by a desire to curtail global energy insecurity and reduce the environmental impact of conventional modes of energy production.

The G20 leaders made its first commitment to develop clean energy technologies at its summit in London on 2 April 2009 and fixed it in the Global plan for recovery and reform.¹³⁹

The G20 leaders committed to facilitate the diffusion or transfer of clean energy technology only among G20 countries, the commitment foresees monitoring measures to be undertaken only by the G20 countries and in cooperation with other G20 members.

Commitment Features

The commitment highlights two levels of action: facilitation the diffusion or transfer of clean energy technology by G20 member alone and by G20 member in cooperation with one or several G20 members. To be awarded full compliance, a member must take action in both of these areas.

Actions to facilitate the diffusion or transfer of clean energy technology are not limited to conducting joint research and building capacity. Other actions in this sphere also constitute compliance.

Examples of policy and regulatory measures that could provide incentives for the private sector to adopt and develop clean technologies are: the establishment of an emission trading mechanism that would enable private companies to sell carbon credits they gained from investing in clean energy technology research and development; the implementation of credits and tax credits for private investment in clean energy technology research and development; the establishment of privileged loans for clean technology research and development; and setting up a certification system for companies that invest in clean energy technology research and development. For full compliance with this commitment, a member must conduct joint research projects and build capacity or undertake other actions to facilitate the diffusion or transfer of clean energy technology at national and international levels alone and in cooperation with other G20 countries.

Scoring

-1	Member doesn't take steps to facilitate the diffusion or transfer of clean energy technology alone AND in cooperation with one or several G20 countries.
0	Member takes steps to facilitate the diffusion or transfer of clean energy technology alone OR in cooperation with one or several G20 countries.
+1	Member takes steps to facilitate the diffusion or transfer of clean energy technology alone AND in cooperation with one or several G20 countries.

Assessment

G20 member	Lack of compliance	Work in progress	Full Compliance
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¹³⁹ Global Plan for Recovery and Reform Statement Issued by the G20 Leaders London, April 2, 2009.
<http://www.g20.utoronto.ca/2009/2009communique0402.html>.

Argentina			+1
Australia			+1
Brazil		0	
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan			+1
Republic of Korea			+1
Mexico			+1
Russian Federation			+1
Saudi Arabia		0	
South Africa		0	
Turkey			+1
UK			+1
USA			+1
EU		0	
Compliance Average	0.75		

Country compliance

Argentina: +1

Argentina has fully complied with the commitment to facilitate the diffusion or transfer of clean energy technologies.

With respect to steps to facilitate the diffusion or transfer of clean energy technologies alone, the Government of Argentina has undertaken a number of measures.

Argentina conducts research as well as builds capacity to develop and promote clean technologies. According to the last report made by the Argentine Renewable Energies Chamber (Cámara Argentina de energías renovables – CADER) issued on October 2009, Argentina is the world's fifth largest biodiesel producer.¹⁴⁰

On 17 November 2009, rural electrification project in Argentina based on renewable energy won IDEAS Energy Innovation Prize held by the Inter-American Development Bank among 28 countries in Latin America and the Caribbean. The project is aimed at demonstrating the viability of a comprehensive rural energy management system that includes improved use of natural light,

¹⁴⁰ Cupo nacional de biocombustible: un gran avance que abre múltiples oportunidades para el país // The official website of the Cámara Argentina de Energías Renovables, Buenos Aires. 09.02.2010. URL : http://www.argentinarenovables.org/prensa_detalle.php?vid=48 (date of access: 01.06.2010).

household insulation options and more efficient water pumping techniques. The estimated cost of the project is USD218,500 including a local counterpart contribution of USD39,000.¹⁴¹

On 9 February 2010, Argentine Planning Minister Julio De Vido announced the commencement of the domestic biodiesel market which required fuel retailers to include a 5% biodiesel mix in diesel sales (known as B5).¹⁴² In April 2010 Argentina's domestic biodiesel market officially started up with the introduction of the B5 admixture and biodiesel producers began to send product to oil blenders including YPF, Petrobras, Esso and Shell, who are putting it in the system.¹⁴³ This creates a domestic market of approximately 860,000 tons/year of biodiesel, valued at over USD800 million in annual revenue. The priority is given to small and medium enterprises. According to Vice President of CADER Jose Luis Martinez Justo, "Finally, the biodiesel industry has the regulatory framework we have been seeking for years. If we take the B5 mandate as a starting point to establish greater goals, such as B10 or even B20, we will be establishing some solid foundations of an industry that can play a big role in improving our country."¹⁴⁴

On 25 February 2010, twenty Argentinean municipalities joined the "Generación 3R-Bio" (Reducimos, Reutilizamos, Reciclamos - Reduce, reuse, recycle)¹⁴⁵ initiative launched by the Province of Buenos Aires in May 2008. The programme is aimed at recycling used vegetable oils by converting them into biodiesel. It is estimated that by the end of 2010 all vehicles in Argentina will switch to biodiesel or etanol.¹⁴⁶

Argentina has also facilitated the diffusion and transfer of clean energy technology in cooperation with the G20 countries. On 3-4 December 2009, Argentina and Brazil participated in the workshop on hydroenergetics improvements which was organized within the bilateral programme of scientific and technological exchange between the two countries in the area of renewable energies.¹⁴⁷

On 9 March 2010, Argentine Planning Minister Julio De Vido held a meeting with his French counterpart Jean-Louis Borloo during which the issues of renewable sources of energy, such as solar, wind, biodiesel and biomass were discussed.¹⁴⁸

In March 2010, Argentina's National Development and Investment Agency President (Agencia Nacional de Desarrollo de Inversiones) Beatriz Nofal participated at the European tour to Spain,

¹⁴¹ Rural electrification project in Argentina wins energy innovation prize // The official website of the Inter-American Development Bank. 17.11.2009. URL: <http://www.iadb.org/news-releases/2009-11/english/rural-electrification-project-in-argentina-wins-energy-innovation-prize--5959.html> (date of access: 14.06.2010).

¹⁴² Argentine domestic biodiesel market begins to great fanfare // The official website of the Cámara Argentina de Energías Renovables, Buenos Aires. 09.02.2010. URL: http://www.argentinarenovables.org/ingles/prensa_detalle.php?vid=49 (date of access: 14.06.2010).

¹⁴³ Domestic biodiesel market takes shape with new B5 mix – Argentina // Business News Americas. 09.04.2010. URL: http://www.bnamericas.com/news/oilandgas/Domestic_biodiesel_market_begins_with_B5_mix (date of access: 14.06.2010).

¹⁴⁴ Argentine domestic biodiesel market begins to great fanfare // The official website of the Cámara Argentina de Energías Renovables, Buenos Aires. 09.02.2010. URL: http://www.argentinarenovables.org/ingles/prensa_detalle.php?vid=49 (date of access: 14.06.2010).

¹⁴⁵ Se lanza en la provincial el programa "Generación 3R" // The official website of the Organismo provincial para el desarrollo sostenible (OPDS). 19.05.2008. URL: <http://www.opds.gba.gov.ar/index.php/articulos/ver/190> (date of access: 14.06.2010).

¹⁴⁶ Biodiesel, 20 municipios ya ingresaron a Generación 3R y Plan Bio que transforma aceite usado en biocombustible // NextFuel - Information and News Portal on biodiesel and renewable energies. 1 March 2010. URL: <http://biodiesel.com.ar/2319/biodiesel-20-municipios-ya-ingresaron-generacion-3r-y-plan-bio-que-transforma-aceite-usado-en-biocombustible> (date of access: 14.06.2010).

¹⁴⁷ Workshop sobre Pequeños Aprovechamientos Hidroeléctricos // The official website of the Secretaría de Energía, Ministerio de Planificación Federal, Inversión Pública y Servicios. 04.12.2009. URL: <http://energia3.mecon.gov.ar/contenidos/verpagina.php?idpagina=3187> (date of access: 14.06.2010).

¹⁴⁸ Energías renovables, energía nuclear, energía solar, energía eólica, biodiesel y biomasa entre Argentina y Francia // NextFuel - Information and News Portal on biodiesel and renewable energies. 10.03.2010. URL: <http://biodiesel.com.ar/2407/energias-renovables-energia-nuclear-energia-solar-energia-eolica-biodiesel-y-biomasa-entre-argentina-y-francia#more-2407> (date of access: 14.06.2010).

France and the United Kingdom aimed at promoting investments in Argentina, including the renewable energy, biofuels and biotechnologies, and discussed the possibilities for cooperation in the respective areas with the officials.¹⁴⁹ Besides, potential for bilateral collaboration in the area of clean technologies was discussed in Saudi Arabia during Nofal's visit to the Middle East in April 2010.¹⁵⁰

Argentina invests in development and promotion of clean technologies policies and takes an active part in international cooperation in the respective area. Thus, it is awarded a score of +1.

Analyst: Polina Arkhipova

Australia: +1

The Australian Government has fully complied with the G20 commitment to implement steps to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity.

During the monitoring period a number of the initiatives have been launched within the country, and beyond its borders together with the international partners.

Australia has undertaken a wide range of steps to facilitate the diffusion or transfer of clean energy technology alone.

On 8 October 2009 Craig Emerson, Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation, announced that waste water recycling and retro-fitting equipment to utilise waste heat for production are among the 12 projects to be funded under the latest round of Re-tooling for Climate Change¹⁵¹. The 12 applicants received grant offers totalling AUD3.8 million (USD3.23 million) under the third round.¹⁵²

On 10 November 2009, Minister for Innovation, Industry, Science and Research, Senator Kim Carr, announced AUD20.6 million (USD17.5 million) in grants to 32 businesses for projects supporting around 324 green jobs under the Rudd Government's Climate Ready Program.¹⁵³

On 2 of November 2009, Minister for Innovation, Industry, Science and Research, Senator Kim Carr, announced, that AUD16.4 million (USD13.9 million) worth of projects make up the third round of the AUD90 million (USD76.5 million) Green Building Fund.¹⁵⁴

Australia has undertaken a number of steps to facilitate the diffusion or transfer of clean energy technology in cooperation with G20 countries. Australia and India launched a project, which is aimed

¹⁴⁹ Nofal promueve en Europa la inversión en la Argentina del Bicentenario // The official website of the Argentina's Investment Development Agency. 26.03.2010. URL: <http://www.prosperar.gov.ar/home.php?page=nota&cat=5&id=206> (date of access: 14.06.2010).

¹⁵⁰ Nofal promueve en Europa la inversión en la Argentina del Bicentenario // The official website of the Argentina's Investment Development Agency. 07.04.2010. URL: <http://www.prosperar.gov.ar/home.php?page=nota&cat=5&id=208> (date of access: 14.06.2010).

¹⁵¹ The program was established in 2008 and was aimed at supporting Australian manufacturers to improve their production processes, reduce their energy use, and cut carbon emissions in order to support initiatives such as improving the energy-efficiency of their operations; investing in energy-efficient manufacturing tools; improving insulation and recovering waste heat; investing in small-scale cogeneration plants that capture waste energy and use it to produce electricity on site; and cutting water wastage, including through stormwater capture and improving water recycling

¹⁵² Press release of the Australian Minister of for Innovation, Industry, Science and Research, Craig Emerson // The official web site of the Ministry of Innovation, Industry, Science and Research. 08.10.2009. URL: <http://minister.innovation.gov.au/Emerson/Pages/38MINGRANTSTOHELPINDUSTRYADAPPTOCLIMATECHANGE.aspx> (date of access 10.03.2010).

¹⁵³ Press release of the Australian Senator Kim Carr // The official web site of the Ministry of Innovation, Industry, Science and Research. 10.10.2009. URL: <http://minister.innovation.gov.au/Carr/Pages/206MILLIONINCLIMATEREADYGRANTSTOSUPPORT324JOBS.aspx> (date of access 12.03.2010).

¹⁵⁴ Media release of Senator Kim Carr, Minister for Innovation, Industry, Science and Research // The official web site of the Ministry of Innovation, Industry, Science and Research. 02.10.2009. URL: <http://minister.innovation.gov.au/Carr/Pages/164MILLIONFOR37GRANTSTOCUTOFFICEEMISSIONS.aspx> (date of access 08.03.2010).

at reduction of green house gas (GHG) emissions through offsetting and potentially eliminating the need for and/or use of conventional liquid petroleum fuels in a number of remote communities.¹⁵⁵

Australia leads the project on accelerating the deployment of “Smart Minigrids” in Asian Pacific Partnership (APP) Countries, which is going to be completed in January 2011. It is funded together with other participants India (TERI); Korea (Hyosung); Japan (Potentially, TBC) AUD2.1 million (USD1.78 million). The projects aims to demonstrate the reliability and efficiency of a renewable-energy powered “smart” minigrid system in Australia and India and improve community, government and industry acceptance of the technology, thereby accelerating renewable and smart minigrid deployment in partner countries.¹⁵⁶

On 26 October 2009, Trade Minister Simon Crean participated in the launch of a Clean Energy Report prepared by one of Japan’s leading think tanks, Nomura Research Institute. The Minister offered to work together to be part of the solution to climate change and they would do this through smart solutions such as the Carbon Capture and Storage Institute.¹⁵⁷

The Australian Government has fully complied with this commitment, having implemented all commitment features. Thus, Australia is awarded a score of +1.

Analyst: Dina Padalkina

Brazil: 0

Brazil has partially complied with its commitment to take steps to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity.

Brazilian Government has undertaken some steps to facilitate the diffusion or transfer of clean energy technology alone.

On 30 September 2009 Brazil's state-owned oil and gas giant Petrobras and the National Institute for Space Research (Inpe) inaugurated two laboratories in Cachoeira Paulista, state of São Paulo (Brazil). The new research units will develop technologies to reduce CO2 emissions and to receive, process, and store satellite data to monitor the Brazilian coast.

One of the unit’s new labs will focus on developing the Chemical Looping technology, one of the most promising CO2 capturing techniques, which Petrobras may later use as a technological option to reduce greenhouse gas emissions. The other lab will receive, process, and store satellite data to monitor the Brazilian coast. The applications of this new lab include the quick detection and monitoring of the presence of oil and of meteo-oceanographic events, such as oceanic fronts and the flourishing of algae. This lab has Brazil’s first marine teledetection station. Thus far, Petrobras had been using images captured and processed in reception stations located abroad, generating high operating costs and delays in image delivery¹⁵⁸.

On 23 October 2009 L. da Silva, Brazilian President approved the proposal according to which Brazil would raise the bio-fuel content of its diesel to 5 per cent up from 4 per cent previously. The measure, which takes effect in January 2010, is expected to raise the production of bio-diesel in Brazil to 2.4

¹⁵⁵ The official web site of the Bushlight project. URL: <http://www.bushlight.org.au/> (date of access 08.03.2010).

¹⁵⁶ Title of Project: Accelerating the deployment of “Smart Minigrids” in APP Countries // The site of the project. URL: <http://www.asiapacificpartnership.org/pdf/Projects/REDGTF/CPD/RDG-08-29.pdf> (date of access 08.03.2010).

¹⁵⁷ Speech made by Trade Minister Simon Crean Keynote Address to the Australia Japan Business Cooperation Committee Conference // the official web site of the Australian Minister for trade. 26.10.2009. URL: http://www.trademinister.gov.au/speeches/2009/091026_keynote_ajbcc.html (date of access 19.03.2010)

¹⁵⁸ Petrobras and Research Institute inaugurate labs to capture CO2 and for marine monitoring // The official website of Petrobras. 30.09.2009. URL: http://www.petrobras.com/ptcm/appmanager/ptcm/dptcm?_nfpb=true&_pageLabel=petr_com_noticias (date of access: 25.01 2010).

billion liters next year.¹⁵⁹ Brazil is a pioneer in bio-fuel. It has used its status as the world's top sugar producer to promote cane-derived ethanol for automobiles. With an under-developed rail network and huge cargoes of agricultural and mineral production travelling thousands of kilometers by road to the country's ports, diesel consumption is a major cost for Brazil's industries.¹⁶⁰

In January 2010 the Brazilian state-owned oil and gas company Petrobras inaugurated the world's first ethanol-fuelled power plant in the state of Minas Gerais. The flex-fuel turbine, which was converted from running solely on natural gas, began operating on December 31 and is currently in its optimization and testing phase. "With this initiative, Brazil reasserts its leading position in ethanol production and use, and Petrobras takes yet another step in the search for alternative sources of power generation" said a Petrobras press release¹⁶¹.

On 16 April 2010 L. da Silva, President of Brazil took place in the summit of BRIC countries (Brazil, Russia, India, and China) held in Brazil. The joint statement of the leaders mentions developing of cleaner, more affordable and sustainable energy systems as subject of cooperation.¹⁶² However, no joint actions have been registered so far. There is no information on cooperation between Brazil and other G20 countries.

Brazil has failed to facilitate the diffusion of clean energy technology in cooperation with the G20 countries. Thus, it is awarded a score of 0.

Analyst: Polina Cherepova

Canada: +1

Canada has fully complied with its commitment to take steps to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity alone and in cooperation with another G20 members.

On 2 October 2009, the Government of Canada invested up to USD109.97 million on support of the production of ethanol in Ontario. The Government of Canada's Economic Action Plan also dedicates USD1 billion to the Clean Energy Fund and USD1 billion for the Green Infrastructure Fund to provide additional economic stimulus while promoting a cleaner, more sustainable energy future for Canadians.¹⁶³

On 23 October, thanks to the Government of Canada investment in the province's first commercial wind farm, residents of Newfoundland and Labrador began to benefit from a reliable supply of clean electricity at competitive prices. The project received up to USD8.3 million.¹⁶⁴

On 27 October 2009, the Government of Canada decided to provide USD2.49 million in funding to help ensure that Canadian's communities and infrastructure are well adapted to a changing climate. The funding will support two projects led by Canada's engineers and planners.¹⁶⁵

¹⁵⁹ Brazil to increase diesel bio-fuel content to 5 per cent next January // Mercopress. 26.11.2009. URL: <http://en.mercopress.com/2009/10/26/brazil-to-increase-diesel-bio-fuel-content-to-5-next-january> (date of access: 30.11.2009).

¹⁶⁰ Brazil to increase diesel bio-fuel content to 5 per cent next January // Mercopress. 26.11.2009. URL: <http://en.mercopress.com/2009/10/26/brazil-to-increase-diesel-bio-fuel-content-to-5-next-january> (date of access: 30.11.2009).

¹⁶¹ Brazil inaugurates first commercial ethanol-fuelled power plant // Mercopress. 20.01.2010. URL: <http://en.mercopress.com/2010/01/20/brazil-inaugurates-first-commercial-ethanol-fuelled-power-plant>. (date of access: 27.01.2010).

¹⁶² BRIC Summit Joint Statement, April 2010 // Council on Foreign Relations. 15.04.2010. URL: http://www.cfr.org/publication/21927/bric_summit_joint_statement_april_2010.html (date of access: 27.04.2010).

¹⁶³ Government of Canada Invests in Ontario Biofuels // Natural Resources Canada. 02.10.2009. URL: <http://www.nrcan.gc.ca/media/newcom/2009/200996-eng.php> (date of access: 10.05.2010).

¹⁶⁴ Government of Canada Invests in Clean Energy for Newfoundland and Labrador // Natural Resources Canada. 23.10.2009. URL: <http://www.nrcan.gc.ca/media/newcom/2009/200988-eng.php> (date of access: 10.05.2010).

¹⁶⁵ Government of Canada Takes Action to Help Communities Adapt to Climate Change // Natural Resources Canada. 27.10.2009. URL: <http://www.nrcan-rncan.gc.ca/media/newcom/2009/2009105-eng.php> (date of access: 10.05.2010).

On 24 November, the Government of Canada continued its commitment to clean energy technology development by investing USD63 million in a project that would reduce greenhouse gas emissions.¹⁶⁶

On 11 January 2010, Lisa Raitt, Canada's Minister of Natural Resources, announced support for 19 projects under the Clean Energy Fund. Funding of up to USD146 million supported the demonstration of renewable and clean energy across the country, including integrated community energy solutions, smart grid technology, and renewable applications with solar, wind, tidal and geothermal energy.¹⁶⁷

On 2 March 2010, Steven Blaney, Member of Parliament for Lévis–Bellechasse, announced that the Government of Canada program would provide funding (up to USD79.75 million over seven years) to help strengthen the Canadian renewable fuel industry.¹⁶⁸

With respect to facilitate the diffusion or transfer of clean energy technology in cooperation with one or several G20 countries the Canadian Government has undertaken the following steps. On 16 December 2009, the Government of Canada has joined an international network as a founding member of the Global Research Alliance on Agricultural Greenhouse Gases. As part of the Alliance, Canada will participate in world-class research with other countries. Canada will invest up to USD27 million towards the Global Research Alliance on Agricultural Greenhouse Gases. The Alliance includes New Zealand, the United States, Australia, France, Germany, Japan, the United Kingdom, Switzerland and other countries. Countries will collaborate on research projects and exchange of knowledge.¹⁶⁹

On 30 January 2010, Canada's Environment Minister, Jim Prentice, announced the submission of Canada's 2020 emissions reduction target under the Copenhagen Accord, at a 17 per cent reduction from 2005 levels, which is completely aligned with the U.S. target. The Government of Canada has consistently emphasized the importance of harmonizing approach to climate change with that of the United States.¹⁷⁰

Canada has actively invested into transfer and development of clean energy technology both at national and international level and can be awarded a score of +1 for the progress achieved in this commitment.

Analyst: Julia Ovchinnikova

China: +1

China has fully complied with the G20 commitment.

China has undertaken a wide range of steps to facilitate the diffusion or transfer of clean energy technology alone. On 8 November 2009, at a China-Africa summit in Egypt, Chinese premier Wen Jiabao said that in the fight against climate change, China would build 100 clean energy projects on the continent, including solar power, biogas and small-scale hydro-power plants.¹⁷¹

On 26 November 2009, China's State Council announced that China would reduce the intensity of carbon dioxide emissions per unit of GDP in 2020 by 40 to 45 per cent compared with the level of 2005. The State Council statement said the government would devote major efforts to developing

¹⁶⁶ Government of Canada Funds State-of-the-art Clean Energy Technology in Alberta // Natural Resources Canada. 24.11.2009. URL: <http://www.nrcan-rncan.gc.ca/media/newcom/2009/2009116-eng.php> (date of access: 10.05.2010).

¹⁶⁷ Canada's Economic Action Plan: Investing in Clean Energy Projects // Natural Resources Canada 11.01.2010. URL: <http://www.nrcan-rncan.gc.ca/media/newcom/2010/201001-eng.php> (date of access: 10.05.2010).

¹⁶⁸ Government of Canada Invests in Quebec Biofuels // Natural Resources Canada. 02.03.2010. URL: <http://www.nrcan-rncan.gc.ca/media/newcom/2010/201010-eng.php> (date of access: 10.05.2010).

¹⁶⁹ Canada Becomes a Founding Member of the Global Research Alliance On Agricultural Greenhouse Gases // Environment Canada. 16.12.2009. URL: <http://ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=E3AE7ECA-C920-4B45-8FC0-130A71E6B6A9> (date of access: 10.05.2010).

¹⁷⁰ Canada Lists Emissions Target under the Copenhagen Accord // Canada's Action on Climate Change. 01.02.2010. URL: <http://www.climatechange.gc.ca/default.asp?lang=En&XML=D5E39C3A-C958-4876-8222-E3541F7B9C8D> (date of access: 10.05.2010).

¹⁷¹ China doubles aid to Africa // The New Vision News Agency. 08.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 08.11. 2009).

renewable and nuclear energies to ensure the consumption of non-fossil-fuel power accounted for 15 per cent of the country's total primary energy consumption by 2020. More trees would be planted and the country's forest area would increase by 40 million hectares and forest volume by 1.3 billion cubic meters from the levels of 2005.¹⁷²

On 29 December 2009, China National Petroleum Corporation (CNPC) and Beijing Municipal Government signed a strategic cooperation framework agreement, which aims at accelerating the optimization of energy consumption mix and construction process of the capital city in a low-carbon, safe, efficient and economic manner.¹⁷³

On 19 January 2010, Li Kang, Vice Chairman of Guangxi Zhuang Autonomous Region, said that Guangxi would take full advantage of a national incentive policy giving priority to the development of new resources such as tidal power, biomass power and wind power. Currently, Guangxi is developing several projects including the Longtan hydroelectric project, nuclear power projects in inland and coastal areas, the renewable energy power generation program.¹⁷⁴

China has also undertaken steps to facilitate the diffusion or transfer of clean energy technology in cooperation with G20 countries. On 15-18 November 2009, during USA President Barack Obama's China trip, China and the United States signed a document on establishing a clean energy research center, with headquarters in each country. Both agreed to split its funding of at least USD150 million over five years evenly between the two countries.¹⁷⁵

On 17 November 2009, the First World Low Carbon and Eco-economy Conference and Technical Exposition were held in Nanchang, capital of Jiangxi province to promote the development of a low carbon economy in China. Representatives of the UK, Germany, USA and Japan also attended the conference. Chinese state councillor Liu Yandong called for a concerted effort to encourage innovation and accelerate the research and application of low-carbon technology.¹⁷⁶ The Conference passed a declaration, calling for all nations and businesses to develop low carbon and eco-economy to tackle global warming and other environmental issues. At the conference the Jiangxi Provincial government announced that the province would cooperate with the Finland government to build a low carbon eco-city in Gongqing city by the Poyang Lake, China's largest freshwater lake. The project will start at the beginning of 2010 and be completed in 2013.¹⁷⁷

Thus, for full compliance China is awarded a score of +1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its commitment to increase investment in clean technology research and development and to intensify efforts to enhance global clean technology cooperation. France has provided direct government funding and has participated in international discussions on clean technology research.

¹⁷² China announces targets on carbon emission cuts // Chinese Government's Official Web Portal. 26.11.2009. URL: http://english.gov.cn/2009-11/26/content_1474008.htm (date of access: 30.11.2009).

¹⁷³ CNPC and Beijing Municipal Government sign a strategic cooperation framework agreement // The official website of the China National Petroleum Corporation. 29.12.2009. URL: <http://www.cnpc.com.cn/en/press/newsreleases/2009/79636ab2-ee5f-432b-8e53-edb1778ad51b.htm> (date of access: 29.12.2009).

¹⁷⁴ Development through Clean Energy // Beijing review News Agency. 19.01.2010. URL: http://www.bjreview.com/Low_Carbon_Living/txt/2010-01/19/content_247981.htm (date of access: 19.01.2010).

¹⁷⁵ Growing Together // Beijing review News Agency. 23.11.2009. URL: http://www.bjreview.com/print/txt/2009-11/23/content_230733.htm (date of access: 26.11.2009).

¹⁷⁶ Low carbon conference held in Nanchang // China Daily News Agency. 01.12.2009. URL: http://www.chinadaily.com.cn/bizchina/ecoworkconference09/2009-12/01/content_9108071.htm (date of access: 17.11.2009).

¹⁷⁷ China Keen on Low-carbon Economy // Beijing review News Agency. 22.11.2009. URL: http://www.bjreview.com/headline/txt/2009-11/23/content_230706.htm (date of access: 23.11.2009).

On 8 October 2009, the French Senate adopted draft law “Grenelle 2”.¹⁷⁸ This law aims at increasing investment into clean technology research and development.¹⁷⁹ Under the Grenelle programme about EUR1.5 billion is to be invested in clean technologies in France.¹⁸⁰

On 14 November 2009 President Sarkozy issued a joint document with Brazilian President Lula da Silva urging states to cooperate on climate change at the December 2009 Climate summit in Copenhagen. Both leaders called for “increased cooperation on research and technology between developed and developing countries.”¹⁸¹

On 8 April 2010, President Sarkozy met with Italian Prime Minister Berlusconi in order to sign a number of agreements aimed at increasing nuclear power cooperation between the two countries – as previously articulated in a 2009 accord.¹⁸²

Thus, France has been awarded a score of +1 for its direct investment in clean technology research and its efforts to enhance global policy cooperation in this area.

Analysts: Jesse Sperling and Mark Rakhmangulov

Germany: +1

Germany has fully complied with its commitment to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity. It has implemented a wide range of projects on diffusion of clean energy independently and in cooperation with the G20 countries.

During the period of monitoring Germany has undertaken the following measures to comply with the first part of the commitment.

In cooperation with the German Aerospace Center (DLR) in Cologne, the German Federal Foreign Office intends, to the tune of over 4 million euro, to optimize power plants being planned or already under construction and transfer of knowhow to research institutes, universities, companies, experts, engineering offices and energy suppliers in Egypt, Algeria, Tunisia and Morocco within a three-year project, named “UniSolar”. Education measures, training and workshops will enable local experts to get hands-on experience of the high precision required by solar thermic power station technology.¹⁸³

In the framework of Senegalese-German development cooperation renewable energies and energy efficiency is one of three priority areas, and. Germany intends to make a visible contribution to solving the energy crisis in Senegal and supports not only rural electrification schemes but also the programme to provide electricity from renewable energy sources.¹⁸⁴

On the eve of the meeting of the German Federal Minister Westerwelle, and Federal Minister Niebel with heads of state and government from eight Pacific island states Minister Niebel announced that the regional program on support the Pacific island region in adapting to climate change would be

¹⁷⁸ Adoption du projet de loi Grenelle 2 par le Sénat. 09.10.2009. URL : <http://www.legrenelle-environnement.fr/spip.php?article1307> (date of access: 23.11.2009).

¹⁷⁹ Projet de Loi Portant Engagement National pour L’environnement. URL : http://www.developpement-durable.gouv.fr/IMG/pdf/projet_loi_grenelle2-2.pdf (date of access: 23.11.2009).

¹⁸⁰ Le Grenelle en chiffres! 10.05.2010. URL : <http://www.developpement-durable.gouv.fr/Le-Grenelle-en-chiffres.html>.

¹⁸¹ France, Brazil Join Forces on Climate Change, Reuters (Paris). 14.11.2009. URL : <http://www.reuters.com/article/idUSTRE5AD1I820091114> (date of access: 23.11.2009).

¹⁸² France, Italy, Look to Boost Nuclear Cooperation // Reuters UK (London). 08.04.2010. URL: <http://uk.reuters.com/article/idUKLDE63723X20100408> (date of access: 23.11.2009).

¹⁸³ Federal Foreign Office promotes development of solar power plants in North Africa with EUR4 million // The official web site of the German Ministry for Foreign Affairs. 25.09.2009. URL:

http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Meldungen/2009/090925_F_C3_B6rderung_20Solarthermischer_20Kraftwerke_20in_20Nordafrika.html (date of access: 28.05.2010).

¹⁸⁴ Renewable energy for Senegal // The official web site of the Ministry of Economic Cooperation and Development. 30.09.2009. URL: http://www.bmz.de/en/press/pm/archive/2009/september/pm_20090930_88.html (date of access: 28.05.2010).

increased by EUR10 million (USD 12.4 million) The program focuses on assisting island states in addressing the challenges of climate change.¹⁸⁵

On 9 October 2010 Günter Gloser, Minister of State for Europe, attended the EU Mediterranean-Gulf Renewable Energy Conference where governments and companies from the EU, the southern Mediterranean region and the Gulf states discussed the further development and use of renewable energies around the Mediterranean.¹⁸⁶

The German Government is going to spend about EUR 819 million (USD1 billion) to conduct energy research in Germany in 2010. The Federal Research Minister Annette Schavan has declared that EUR442 million (USD547 million) promoting the Year of Energy would be spent with a special focus on research of energy efficiency and renewables.¹⁸⁷

To diffuse clean energy technology Germany has also undertaken measures in cooperation with G20 countries. The German Government has allocated EUR20 million (USD24.7 million) to assist Chinese Government to reduce CO2 emissions and improve energy efficiency through the German Initiative for Climate and Environment Protection (IKLU).¹⁸⁸

On 3 December 2009 the German Government has concluded a number of agreements, launching a total of nine joint projects for the protection of tropical forests and for the promotion of renewable energy in Brazil. The combined volume of the projects is EUR295 million (USD365.4 million). The German Development Minister Dirk Niebel stated that “development policy can, and must indeed, play an important role.”¹⁸⁹

On 4 February the Council of Franco-German ministers in Paris approved a Franco-German climate satellite to observe methane, a greenhouse gas. According to Peter Hintze, Parliamentary State Secretary in the Federal Ministry of Economics and Technology and German Government Co-ordinator of Aerospace Policy, it is a good signal for international climate protection and highlights the successful co-operation between Germany and France.¹⁹⁰

The German Government has fully complied with its commitment having undertaken the steps to facilitate the diffusion and transfer of clean energy technology alone and in cooperation with several G20 members. Thus, Germany gets a score of +1.

Analyst: Yuriy Zaytsev

India: +1

India has fully complied with its commitment to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity.

¹⁸⁵ Ministers Westerwelle and Niebel receive heads of state and government from Pacific countries // The official web site of the Ministry of Economic Cooperation and Development. 15.12.2009. URL:

http://www.bmz.de/en/press/pm/2009/december/pm_20091215_xx.html (date of access: 28.05.2010).

¹⁸⁶ Minister of State Gloser takes part in conference on renewable energies in the Mediterranean region // The official web site of the German Ministry for Foreign Affairs. 09.10.2009. URL:

<http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Meldungen/2009/091009-Gloser-Mittelmeer.html>

¹⁸⁷ Launch of the Year of Science 2010 // The official web site of the German Government. 25.01.2010. URL:

http://www.bundesregierung.de/nn_231902/Content/EN/Artikel/2010/01/2010-01-25-wissenschaftsjahr-jahr-der-energie_en.html (date of access: 28.05.2010).

¹⁸⁸ Policy decision to end aid to China remains unchanged // The official web site of the Ministry of Economic Cooperation and Development. 16.12.2009. URL: http://www.bmz.de/en/press/pm/2009/december/pm_20091216_115.html (date of access: 28.05.2010).

¹⁸⁹ Germany supports Brazil's program on climate change // The official web site of the Ministry of Economic Cooperation and Development. 03.12.2009. URL: http://www.bmz.de/en/press/pm/2009/december/pm_20091203_106.html (date of access: 28.05.2010).

¹⁹⁰ Hintze welcomes Franco-German climate satellite // The official web site of the Federal Ministry of Economics and Technology. 20.02.2010. URL: <http://www.bmwi.de/English/Navigation/Press/press-releases,did=332026.html> (date of access: 28.05.2010).

On 11 January 2010, the Prime Minister of India, Dr. Manmohan Singh, launched the Jawaharlal Nehru National Solar Mission, with a clarion call to industry to create “Solar Valleys” on the lines of Silicon Valleys that are spurring the Indian IT industry across the country. The Prime Minister said that the target of 20,000 MW of solar generating capacity by the end of the 13th Plan period was ambitious.¹⁹¹

On 26 February 2010, Dr. Farooq Abdullah, Minister for New and Renewable Energy welcomed the 61 per cent hike for renewable energy sector in the budget allocation for the year 2010-11. His statement highlighted the increased allocation that would enable not only undertake new projects but also strengthen the existing ones. The approved outlay of the Ministry of 2009-10 was INR6.2 billion (USD0.13 billion). It has been increased to INR10 billion (USD0.21 billion) for 2010-11. The Finance Minister Shri Pranab Mukherjee in his budget speech in Parliament also announced that to address the problem of energy deficiency in the Ladakh region of Jammu & Kashmir which faced extremely hard climate, the government proposes to set up solar, small hydro and micro power projects at a cost of INR5 billion (USD100,000).¹⁹²

On 14 November 2009, Dr. Steven Chu, Secretary, US Department of Energy met Minister for New and Renewable Energy, Dr. Farooq Abdullah. The meeting discussed various areas of cooperation in the field of renewable energy. The two sides agreed to take forward joint research and deployment of distributed generation with focus on storage. It was agreed that given the large potential in India in Solar Energy and the ambitious Solar Development Plan being set out by the Government, the two sides would collaborate both in encouraging investment and R&D efforts.¹⁹³

On 6 January 2010, a Japanese delegation led by Mr. Kazuhiro Haraguchi, Minister for Internal Affairs and Communications discussed with the Minister for New and Renewable Energy, Dr. Farooq Abdullah, various aspects of cooperation between the two countries in the field of renewable energy. It was decided to develop a “solar city” in India. The Solar City project aims to reduce a minimum of 10 per cent of its projected demand of conventional energy at the end of five years through energy efficiency measures and generation from renewable energy installations.¹⁹⁴

Thus, India has been awarded a score of +1 for full compliance with commitment.

Analyst: Igor Churkin

Indonesia: 0

Indonesia has partially complied with its G20 commitment to diffuse clean technologies.

The Government has commenced establishing USD1 billion green investment fund to drive infrastructure developments that aid growth and help cut greenhouse gas emissions. The decision was announced by a finance ministry official on 26 January 2010.

Indonesia's sovereign wealth fund, the Government Investment Unit, will put USD100 million into the fund. A further USD900 million the Government intends to attract from foreign governments plus institutional investors, said Edward Gustely, a senior adviser to the Ministry of Finance.¹⁹⁵

¹⁹¹ Industry urged to create “Solar Valleys” and cash in on huge business opportunity through Solar Mission // The official website of the Ministry of New and Renewable energy of India. 11 January 2010. URL: <http://mnes.nic.in/press-releases/press-release-11012010-1.pdf> (date of access: 13.03.2010).

¹⁹² Dr. Farooq Abdullah welcomes 61% hike in Budget for Renewable Energy sector // The official website of the Ministry of New and Renewable energy of India. 26.02.2010. URL: <http://mnes.nic.in/press-releases/press-release-26022010.pdf> (date of access: 13.03.2010).

¹⁹³ Indo-US Cooperation in Renewable Energy // The official website of the Ministry of New and Renewable energy of India. 14.11.2009. URL: <http://mnes.nic.in/press-releases/press-release-14112009.pdf> (date of access: 13.03.2010).

¹⁹⁴ India and Japan to jointly develop Solar City // The official website of the Ministry of New and Renewable energy of India. 6 January 2010. URL: <http://mnes.nic.in/press-releases/press-release-06012010.pdf> (date of access: 13.03.2010).

¹⁹⁵ Indonesia to kick off USD1 billion green investment fund // Reuters News. 26.01.2010. URL: <http://www.reuters.com/article/idUSJAK7495020100126> (date of access: 30.01.2010).

The Trust Fund Committee of the Clean Technology Fund (CTF) has endorsed the USD400 million plan that should help to transform Indonesia's use of renewable energy and ultimately support the Government to meet its long-term goals.¹⁹⁶

According to the CTF Investment Plan for Indonesia, the amount of USD400 million will support Indonesia's goals of providing 17 per cent of total energy use from renewable energy and improving energy efficiency by 30 per cent from business-as-usual by 2025.¹⁹⁷

Indonesia has complied only with one part of the commitment, having promoted clean energy technologies at the national level alone. Thus, Indonesia is awarded a score of 0.

Analyst: Maria Tyurikova

Italy: +1

Italy has fully complied with its commitment to facilitate the diffusion or transfer of clean energy technology including by conducting joint research and building capacity.

On 16 October 2009, the Minister for Economic Development of Italy Claudio Scajola at the Minister meeting of the International Energy Agency emphasized that Italy "was among the first in supporting the fight against climate change relying on energy efficiency, clean energy, renewable sources and nuclear energy, elimination of emissions from carbon equipment using new CCS technologies".¹⁹⁸

On 26 October 2009, Italy established a scheme (in the legal basis of the President Decree from 3 June 2009¹⁹⁹) that allows subsidies on interest rates for investment loans for producers of car components related to an early adaptation to or overachievement of EU environmental standards. The aid targets the automotive industry, affected by crisis-related difficulties to access capital and declining sales, and supports specifically development and production of components that will be competitive in the future. The scheme, budgeted up to EUR300 million (USD363.4 million), is open to companies of all sizes, and over 1,000 undertakings are expected to benefit directly from the scheme.²⁰⁰

On 28 December 2009, the Ministry for Economic Development has issued the Decree²⁰¹, allocating EUR12.5 million (USD15.14 million) for financing projects concerning the shift of technologies and creating new high-technology enterprises in underused industries. The projects should be aimed at technological industries, such as biotechnologies, eco-friendly technologies, energy technologies. The funds covering at most 50 per cent costs for marketing, diffusion and demonstration of technologies for transferring to small and medium enterprises will be granted for each selected project.²⁰²

On 16 February 2010, the General direction on nuclear energy, renewable sources and energy efficiency of the Ministry for Economic Development issued the Decree²⁰³, providing for EUR22

¹⁹⁶ Indonesia's energy sector gets \$400m from global climate funds // Frontier India. 16.03.2010. URL: <http://frontierindia.net/ea/indonesias-energy-sector-gets-400m-from-global-climate-funds/680/> (date of access: 25.03.2010).

¹⁹⁷ Clean Technology Fund Investment Plan for Indonesia // The official website of Asian Development Bank. URL: <http://www.adb.org/Documents/Reports/Others/INO-CTF-Investment-Plan.pdf> (date of access: 22.03.2010).

¹⁹⁸ Politica energetica, Scajola alla riunione AIE // The official website of the Italian Government. 16.10.2009. URL: <http://governo.it/Notizie/Ministeri/dettaglio.asp?d=51749> (date of access: 05.03.2010).

¹⁹⁹ Decreto del Presidente del Consiglio dei Ministri del 3 giugno 2009 // The official website of the Italian Government. 03.06.2009. URL: http://www.governo.it/GovernoInforma/Dossier/aiuti_stato/DPCM.pdf (date of access: 10.03.2010).

²⁰⁰ Report on G20. Trade and Investment measures (September 2009 to February 2010) // The World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

²⁰¹ Decreto lancio bando RIDITT // The Ministry for Economic Development. 22.12.2009. URL: http://www.sviluppoeconomico.gov.it/pdf_upload/documenti/Decreto_lancio_bando_RIDITT.pdf (date of access: 07.04.2010).

²⁰² Pmi: Scajola, decreto con 12,5 mln di euro per innovazione e hi-tech // The official website of the Ministry for Economic Development. 28.12.2009. URL: http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=551 (07.04.2010).

²⁰³ Dipartimento per l'energia, Direzione generale per l'energia nucleare, le energia rinnovabile e l'efficienza energetica // The official website of the Ministry for Economic Development. 16.02.2010. URL:

million (USD26.65 million) to finance initiatives in conducting researches in energy sector first of all in renewable sources. The funds were allocated for 26 best projects which would attract investments of EUR70 million (USD84.79 million) totally. The Decree constitutes the next step in fulfilling the goals of supporting researches in the field of renewable sources and power supply efficiency, being a part of Berlusconi government's energy programme.²⁰⁴

According to the Decree²⁰⁵ of the Ministry for Economic Development which entered into force from 15 October 2009, Italy is a participant of the 5-th Transnational Call for achieving benefits in realization of international projects in experimental development and industrial researches in bioengineering in the framework of the European programme EUROTRANS-BIO. EUR5 million (USD6 million) was granted for this initiative from the special Fund for technology innovation of Italy (Fondo speciale rotativo per l'innovazione tecnologica).²⁰⁶

On 3 December 2009, during the Italy-Russia intergovernmental meeting the parties signed the Memorandum on energy efficiency and renewable sources for the period of three years.²⁰⁷

Thus, Italy has been awarded a score +1 for full compliance with this commitment.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with its commitment on clean technology research and development.

On 30 October 2009, the Japan Bank for International Cooperation signed an agreement to contribute up to USD20 million to the Daiwa Quantum Capital Partners I, a Japanese private equity fund. The Fund is targeted at investment in Asian projects in such areas as energy efficiency improvement, renewable energy, and waste management, etc.²⁰⁸

On 24 December 2009 the METI announced the winners of 14th New Energy Award. The program is aimed at promoting the introduction of new energy sources by recognizing efforts related to new energy, such as the development of equipment, provision of services, and the introduction and promotion of facilities. This year 11 projects were awarded.²⁰⁹

On 12 February 2010 the METI announced it was going to submit the "Bill on the Promotion of Businesses to Develop and Manufacture Energy and Environmentally Friendly Products" to the Diet. Under the bill, Japan Finance Corporation will provide low-interest, long-term financing for

http://www.sviluppoeconomico.gov.it/pdf_upload/documenti/Decreto_DGENRE_16-02-2010.pdf (date of access: 06.03.2010).

²⁰⁴ Energia: 22 milioni di Euro per promuovere la Ricerca e l'Innovazione per le Fonti Rinnovabili // The official website of the Ministry for Economic Development. 17.02.2010. URL:

http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=610 (date of access: 06.03.2010).

²⁰⁵ Decreto Ministeriale 15 ottobre 2009 // The official website of the Ministry for Economic Development. 02.11.2009. URL:

http://www.sviluppoeconomico.gov.it/organigramma/documento.php?id=4719&id_area=42&id_servizio=1&sezione=organigramma&tema_dir=tema2 (date of access: 06.03.2010).

²⁰⁶ Bando per progetti transnazionali nel campo delle biotecnologie // The official site of the Ministry for Economic Development. 18.11.2009. URL:

http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=493 (date of access: 06.03.2010).

²⁰⁷ Vertice Intergovernativo Italia-Russia: firmati 19 accordi tra cui Memorandum su efficienza energetica e fonti rinnovabili // The official website of the Italian Ministry for Economic Development. 03.12.2009. URL:

http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=518 (date of access: 13.06.2010).

²⁰⁸ JBIC Participates in Fund Focusing on Efficient Energy and the Environment Sector in Asia Contributing to Climate Change Mitigation in Asia under the FACE and LIFE Initiatives// The Japan Bank for International Cooperation. 30.10.2009. URL: <http://www.jbic.go.jp/en/about/press/2009/1030-04/index.html> (date of access: 13.06.2010).

²⁰⁹ Announcement of the FY 2009 (14th) New Energy Award, Ministry of Economy // Trade and Industry of Japan. 24.12.2009. URL: http://www.meti.go.jp/english/press/data/20091224_01.html (date of access: 13.06.2010).

companies developing or manufacturing clean energy and environmentally friendly products. It will also establish a new lease insurance system to make it easier for small and medium enterprises to lease low-carbon equipment and develop environmentally friendly products.²¹⁰

In addition, in the period from 26 September 2009, the Government of Japan extended environmental program grant aid (the Project for Introduction of Clean Energy by Solar Electricity Generation System) totaling JPY12.36 billion (USD136.1 million) to such developing countries as Uruguay, Burundi, Yemen, and other. This aid will help stabilize power supply to the countries and reduce CO₂ emissions through the decrease of fossil fuel consumption.²¹¹

Japan has undertaken a wide range of measures at the international level to facilitate the diffusion and transfer of clean energy technology.

On 6 October 2009 Japan held the First Asia Green IT Forum, which brought together delegates from governments and industries in eight Asian countries (Japan, China, Korea, India, Malaysia, Singapore, Thailand, and Vietnam). The countries agreed to join efforts towards widely spreading the concept of Green IT and related activities across Asia. Green IT initiative, launched by Japan to address the increase in energy consumption by IT equipment, pursues two goals: (1) more energy-efficient IT systems and (2) society-wide energy conservation through the use of IT²¹².

On 27 October 2009, the first Japan and Australia Trade and Economic Ministerial Dialogue was held in Tokyo. The two Ministers reaffirmed the need to expand cooperation in the area of renewable energy technology, and to support the activities of the Global Carbon Capture and Storage Institute (GCCSI)²¹³.

On 8 November 2009, at the 4th Japan-China Energy Conservation Forum, the two countries agreed to cooperate on 42 projects in the fields of energy saving and environmental protection. This program was established with the aim of disseminating Japan's technologies and management systems in China.²¹⁴

On 13 November 2009, Prime Minister Hatoyama held a Japan-USA Summit Meeting with President Obama, where the two leaders affirmed the intent to expand already strong cooperative activities in technology research and development to provide solutions to the challenges of global energy security and climate change²¹⁵. Specifically, the Ministry of Economy, Trade and Industry and U.S. Department of Energy agreed to accelerate joint research on clean energy technologies, including basic science, CCS, energy efficiency and smart grid technologies, etc.²¹⁶

On 18 January 2010, the Japan Bank for International Cooperation signed an agreement to contribute USD25 million to the DB Masdar Clean Tech Fund, a joint equity fund of the Government of Abu

²¹⁰ Bill on the Promotion of Businesses to Develop and Manufacture Energy and Environmentally Friendly Products, Ministry of Economy// Trade and Industry of Japan. 12.02.2010. URL: http://www.meti.go.jp/english/press/data/20100212_01.html (date of access: 13.06.2010).

²¹¹ Exchange of Notes in Fiscal Year 2009, Ministry of Foreign Affairs of Japan 31 March 2010. URL: <http://www.mofa.go.jp/policy/oda/note/grant-9.html> (date of access: 20.04.2010).

²¹² Asia Green IT Forum issues Joint statement, Ministry of Economy, Trade and Industry of Japan 8 October 2009. URL: http://www.meti.go.jp/english/press/data/20091008_01.html (date of access: 7.12.2009).

²¹³ 1st Japan and Australia Trade and Economic Ministerial Dialogue Joint Statement, Ministry of Economy, Trade and Industry of Japan 27 October 2009. http://www.meti.go.jp/english/press/data/20091027_02.html (date of access: 07.12.2009).

²¹⁴ Cooperation Agreements reached at the Fourth Japan-China Energy Conservation Forum, Ministry of Economy, Trade and Industry of Japan 8 November 2009. URL: http://www.meti.go.jp/english/press/data/20091108_01.html (date of access: 12.12.2009).

²¹⁵ FACT SHEET: Japan-U.S. Cooperation on Clean Energy Technologies, Ministry of Foreign Affairs of Japan 13 November 2009. URL: <http://www.mofa.go.jp/region/n-america/us/pv0911/energy.pdf> (date of access: 13.12.2009).

²¹⁶ Japan and the United States agree to Cooperate on Clean Energy Technologies, Ministry of Economy, Trade and Industry of Japan 13 November 2009. URL: http://www.meti.go.jp/english/policy/energy_environment/global_warming/e20091113a.html (date of access: 12.12.2009).

Dhabi, United Arab Emirates, and Deutsche Bank. The objective of the Fund is to invest in sectors such as clean energy, energy efficiency, fuel cell, water and waste management.²¹⁷

On 4 February 2010, the Japanese Government pledged USD40 million to the Scaling Up Renewable Energy in Low Income Countries (SREP) program, funded under the Strategic Climate Fund, a part of Climate Investment Funds (CIF). The SREP will help a small number of low income countries initiate energy sector transformation by helping them take renewable energy solutions to a national programmatic level.²¹⁸

On 8-14 February 2010 Japan's public-private CCS mission visited Europe (Germany, the Netherlands and Spain). The Mission exchanged views on CCS strategies with European power companies and toured the sites of advanced projects. The sides agreed to continue exchanging information on CCS in the years ahead.²¹⁹

Thus, Japan can be awarded a score of +1 for its decisive actions to promote clean technology diffusion and transfer undertaken alone and in cooperation with the G20 countries.

Analyst: Ekaterina Maslovskaya

Republic of Korea: +1

The Republic of Korea has undertaken significant steps to facilitate the diffusion or transfer of clean energy technologies alone and in cooperation with other G20 countries.

On 30 December 2009, the Korean Financial Services Commission, the Fair Trade Commission and the Ministry of Strategy and Finance have jointly made a publicly open presentation of their policy objectives for 2010 to the President. Among other objectives there are an expanding support for green finance up to KRW5 trillion (USD4 billion), up from KRW4.3 trillion (USD3.4 billion) in 2009, and broadening the spectrum of businesses for support from green technology related companies to energy and carbon reduction related companies.²²⁰

On 3 February 2010, the Korean Government made a forecast that investments in alternative energy would increase by 52 per cent in 2010 for expansion in solar and wind power. "Spending by the private sector and state-run companies may rise to KRW5.5 trillion (USD4.8 billion) from KRW3.6 trillion (USD2.9 billion) in 2009", the Ministry of Knowledge Economy said.²²¹

On 5 February 2010, LG Chem Ltd., South Korea's biggest chemicals maker, reported it would supply hybrid-car batteries to China-based Chongqing Changan Automobile Co., its first such order from Asia's largest automobile market. LG Chem started delivering batteries to Hyundai Motor Co. and Kia Motors Corp. last year. The Seoul-based chemical maker also signed a preliminary agreement with a research unit of Changan Automobile to cooperate in developing technologies of hybrid and electric car batteries, according to the statement.²²²

On 17 February 2010, Samsung C&T Corp., South Korea's second-biggest construction company, and ENCO Utility Services of the USA announced their plan to build solar-power plants in California.

²¹⁷ JBIC Participates in Fund Focusing on Climate Change Investment Universe Supporting Japanese Firms' International Business Operations in Environmental Sector in Collaboration with Middle Eastern Sovereign Wealth Fund, Japan Bank for International Cooperation 19 January 2010. URL: <http://www.jbic.go.jp/en/about/press/2009/0119-01/index.html> (date of access: 14.03.2010).

²¹⁸ Programs for Climate Action Get Underway With USD400 million for Forests and \$300 million for Renewables // World Bank Tokyo Office. 04.02.2010. URL: <http://go.worldbank.org/BUA4WMK730> (date of access: 14.03.2010).

²¹⁹ Results of the public-private CCS mission to Europe // The official web site of the Ministry of Economy, Trade and Industry of Japan. 17.02.2010. http://www.meti.go.jp/english/press/data/20100217_01.html (date of access: 14.03.2010).

²²⁰ The official website of the Financial Services Commission // 2010 Financial Policy Agenda. URL: <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=64331> (date of access: 14.03.2010).

²²¹ South Korea Forecasts 52% Gain in Alternative Energy Spending // Bloomberg. URL: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=ayr7TES6ZUYE> (date of access: 14.03.2010).

²²² LG Chem to Supply Hybrid Batteries to Changan Auto // Bloomberg. URL: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a8oMkq7hgwf> (date of access: 14.03.2010).

Electricity from the 130-megawatt project will be sold to Pacific Gas and Electric Co. for 25 years, Seoul-based Samsung said. The plan is Samsung C&T's second overseas alternative energy project in a month. On 21 January 2010, the company announced a USD6.7 billion wind and solar power project with state-run Korea Electric Power Corp.²²³

Having facilitated the diffusion of clean energy technologies alone and in cooperation with the G20 countries, the Republic of Korea has fully complied with the commitment and has been awarded a score of +1.

Analyst: Alexander Simonov

Mexico: +1

Mexico has fully complied with its G20 commitment to diffuse clean energy technologies alone and in cooperation with other G20 members.

In April 2010, Jaime Álvarez Cisneros, the President of the Special Commission on Renewable Energy, said that Mexico used only 1.6 per cent of the country's energy potential and indicated a need to develop laws that make use of renewable energy mandatory. In this regard, he addressed to the Federal Congress an invitation to begin the discussion of this issue and demanded to implement necessary reforms in order to fulfil the intention.²²⁴

On 15 April 2010, at the meeting in the Inter-American Development Bank (Washington, U.S.) Secretary of State of the U.S. Hillary Clinton noted that Mexico was taking steps to turn its wind energy center in Oaxaca into a regional center so governments interested in wind technology can study its model. She appreciated Mexico's continuing efforts to help Central American and Caribbean countries practice greater energy efficiency. Clinton also said that Mexico along with several countries in the Americas had joined the Brazilian initiative - a project called Building with Energy Efficiency and Sustainability. It focuses on green construction, especially in urban areas.²²⁵

From 27 to 30 April 2010, the Tecnológico City Campus Monterrey of Mexico has carried out the Green Business Expo. The exhibition offered opportunities for development of sustainable businesses and Green Jobs. Also, the exhibition paid an attention to the exchange of technologies, best practices and managing methods, and business culture.²²⁶

On 28 April 2010, the Ministry of Energy of Mexico announced that the Energy Regulation Commission released an agreement on integration of central electrical network with energy renewable sources.²²⁷

On 8 October 2009, Filipe de Hesus Calderon Inohosa, the president of Mexico, in the presence Elen Peloss, the general director of the International agency on renewed energy sources, the IRENA, declared that Mexico would sign founding agreement of the IRENA. Mexico becomes 138th country that has joined the IRENA. About 20 per cent of Latin America's power supply is provided by renewable power sources, primarily by sugar cane waste processing, biomass and geothermal power sources. In Mexico electricity is based on the renewable sources, 19 per cent of which are provided by large hydro power plants. The country pursues the goal of increasing the share of the renewable energy up to 26 per cent by 2012, mostly due to wind energy.²²⁸

²²³ Samsung C&T, ENCO to Build Solar Plants in California // Bloomberg. URL:

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aANIBmfyGZos> (date of access: 14.03.2010).

²²⁴ México utiliza 1.6% de energía ordinaria. Impacto. 26 .04.2010. URL:

<http://www.emedios.com.mx/testigospdfs/20100426/29243a-643649.pdf> (date of access: 27.04.2010).

²²⁵ Clinton H. Energy and Climate Partnership of the Americas (ECPA) Ministerial // U.S. Department of State Official Bloc. 15.04. 2010. URL: <http://www.state.gov/secretary/rm/2010/04/140286.htm> (date of access: 27.04.2010).

²²⁶ Promoverán en México la energía removable // El Financiero. 26.04.2010. URL:

<http://www.emedios.com.mx/testigospdfs/20100426/291fad-6424a1.pdf> (date of access: 27.04.2010).

²²⁷ Resolución № RES/067/2010 // Diario Oficial de la Federación. 28.04/.2010. URL:

<http://www.emedios.com.mx/testigospdfs/20100428/294287-6485da.pdf> (date of access: 27.04.2010).

²²⁸ Mexico joins IRENA 14.10.2009. URL: <http://aenergy.ru/1918> (date of access: 27.04.2010).

On 26 January 2010, the first bilateral meeting of the USA-Mexico Framework on Clean Energy and Climate Change was held. The Bilateral Framework establishes a mechanism for strengthening political and technical cooperation and for facilitating efforts at the federal level to develop clean energy economies. It will complement and reinforce existing work between the two countries.²²⁹

On 16 February 2010, the Governor of the State of Durango²³⁰, Mexico Ismael Hernández Deras, and representatives of the Board of OPDE have signed a collaboration agreement under which the Spanish solar photovoltaic developer has committed to study, plan, build and launch 45 megawatts (MW) of solar projects between now and 2013. The agreement between Grupo OPDE and the State of Durango also covers the opening of new branches of the companies OPDE, PROINSO, MECASOLAR, in this Mexican region within approximately three years.²³¹

At the Summit of the Latin America and Caribbean countries, on 22-23 February 2010, Mexico among other countries signed the Cancún Declaration. The Declaration explores energy development issues. As one of the options to overcome lack of energy, it advises to use renewable energy sources broader, and also to share experience and technologies related to use of biofuel, which should ensure fair and balanced access of the developing countries to different energy sources.²³²

As the press-service of Russian Ministry of the Power Generating Industry informs, Mexico actively co-operates with Russia in the electric power industry sphere. Russian company “Power Machines” together with Mexican partner participates in a large project in Mexico for Hydroelectric Power Stations building.²³³ “Power Machines” has already shipped second part of equipment made for the “La Yesca” Station. The cost of the contract exceeds USD200 million.²³⁴ The total cost of the project comes to USD800 million. The station will produce 750 MW.²³⁵

Thus, Mexico has fully complied with both parts of the commitment and is awarded a score of +1.

Analyst: Natalya Zlokazova

Russia: +1

Russia has undertaken sufficient actions to facilitate transfer of clean energy technologies both itself and in partnership with other G20 countries.

As one of the world leaders in the nuclear energy Russia facilitates transfer of technologies in this sphere. On 2 November 2009, Minister of Energy of the RF Sergey Shmatko and Minister of Foreign Affairs of the UAE discussed the perspectives in the bilateral partnership in nuclear energy.²³⁶ On 16 December 2009, prospects of nuclear energy development were discussed by Sergey Shmatko with

²²⁹ Jacobson R. U.S.-Mexico Framework on Clean Energy and Climate Change // U.S. Department of State Official Bloc. 26.01.2010 URL: http://blogs.state.gov/index.php/entires/us_mexico_clean_energy (date of access: 27.04.2010).

²³⁰ Durango is one of the 32 federal states of the Republic of Mexico.

²³¹ Group OPDE signs agreement with the Government of Durango for the construction of solar photovoltaic farms totaling 45 MW // OPDE. 16.02.2010. URL: <http://www.opde.net/bin/noticia.php?lengua=ingl> (date of access: 27.04.2010).

²³² Zibechi R. El bloque latinoamericano y caribeño. 26.02.2010. URL: <http://www.jornada.unam.mx/2010/02/26/index.php?section=opinion&article=020a1pol> (date of access: 27.04.2010)

²³³ Russian-Mexican negotiations. News of the Ministry of Energy of the Russian Federation // The Ministry of Energy of the Russian Federation. 07.12.2009. URL: http://minenergo.gov.ru/news/min_news/2487.html (date of access: 27.04.2010).

²³⁴ “Power Machines” shipped out the second part of equipment for “La Yesca” power plant. 29.10.2009. URL: <http://www.rbc.ru/rbcfreenews/20091029104338.shtml> (date of access: 27.04.2010)

²³⁵ “Power Machines” shipped out second lot of equipment for the “La Yesca” hydroelectric power plant in Mexico // Russian Business Consulting. 29.10.2009 URL: <http://www.rbc.ru/rbcfreenews/20091029104338.shtml> (date of access: 27.04.2010)

²³⁶ The meeting of the Russian-Emirati Intergovernmental Commission on Trade, Economic and Research and Development Cooperation was held // The official website of Ministry of Energy of the Russian Federation. 02.11.2009. URL: http://minenergo.gov.ru/news/min_news/2254.html (date of access: 23.03.2010).

Prime Minister of Vietnam Nguyen Tan Dung.²³⁷ Russian Ministry of Energy also considers it important to cooperate on nuclear energy development in the framework of APEC.²³⁸

Russia agreed a partnership in renewables technologies development with Finland in January 2010²³⁹ and Sweden in March 2010²⁴⁰. On 6 April 2010, the joint statement about foundation of the Russian-Slovak Center on innovations and energy efficiency, which will develop renewable technologies inter alia, was signed.²⁴¹ On 20 October 2009, Sergey Shmatko discussed with the official representatives of Tajikistan the perspectives of building new hydro-power stations in Tajikistan.²⁴²

Russia has also made some steps to facilitate transfer of clean energy technologies in partnership with other G20 countries. On 7 December 2009, Sergey Shmatko and Minister of Energy of Mexico Georgina Kessel discussed the possibility of transfer of Russian experience on nuclear technologies to Mexico.²⁴³ On 13 October 2009, representatives of the Ministry of Energy of the RF took part in the meeting in the framework of the Carbon Sequestration Leadership Forum²⁴⁴ to discuss further cooperation in promoting technologies of carbon capture and storage.²⁴⁵

On 20 October 2009, Russia agreed a joint renewable technologies development cooperation with France²⁴⁶ and on 2 November 2009, with the UK²⁴⁷. On 15 December 2009, in the framework of the Energy Dialog Russia-EU the seminar on the foundation of a joint center on energy efficiency and renewable technologies development and possible joint projects in this sphere was held.²⁴⁸ On 1-2 March 2010, representatives of the Ministry of Energy of the RF took part in the first meeting of the Joint Committee of Russia and Japan in the sphere of energy efficiency and renewables.²⁴⁹

Russia takes steps to facilitate the diffusion of clean energy technologies both alone and in cooperation with other G20 countries, therefore its score is +1 for the fulfillment of this commitment.

Analyst: Natalya Churkina

²³⁷ Minister of Energy of the RF Sergey Shmatko took part in the meeting with the Prime Minister of Vietnam Nguyen Tan Dung // The official website of Ministry of Energy of the Russian Federation. 16.12.2009. URL: http://minenergo.gov.ru/news/min_news/2571.html (date of access: 23.03.2010).

²³⁸ The main directions of Russian activity in APEC // The official website of Ministry of Energy of the Russian Federation. 12.03.2010. URL: http://minenergo.gov.ru/news/min_news/3092.html (date of access: 23.03.2010).

²³⁹ Visit of the Minister of Energy of the RF Sergey Shmatko to Finland // The official website of Ministry of Energy of the Russian Federation. 28.01.2010. URL: http://minenergo.gov.ru/news/min_news/2754.html (date of access: 27 April 2010)

²⁴⁰ Russia and Sweden are going to develop cooperation in energy // The official website of Ministry of Energy of the Russian Federation. 09.03.2010. URL: http://minenergo.gov.ru/news/min_news/3055.html (date of access: 23.03.2010).

²⁴¹ Russian-Slovak Center on innovations and energy efficiency is founded // The official website of Ministry of Energy of the Russian Federation. 07.04.2010. URL: http://minenergo.gov.ru/news/min_news/3358.html (date of access: 25.04.2010).

²⁴² Sergey Shmatko took part in the meeting of the Intergovernmental Commission on Trade, Economic and Research and Development Cooperation // The official website of Ministry of Energy of the Russian Federation. 20.10.2009. URL: http://minenergo.gov.ru/news/min_news/2094.html (date of access: 23.03.2010).

²⁴³ Russian-Mexican negotiations // The official website of Ministry of Energy of the Russian Federation. 07.12.2009. URL: http://minenergo.gov.ru/news/min_news/2487.html (date of access: 23.03.2010).

²⁴⁴ The CSLF is currently comprised of 23 members: 22 countries including China, US, Australia, Canada, South Africa and UK as well as the European Commission. URL: <http://www.decc.gov.uk/en/content/cms/news/pn115/pn115.aspx>

²⁴⁵ Ministry of Energy of Russia takes part in the Ministerial meeting on carbon emissions reduction // The official website of Ministry of Energy of the Russian Federation. 14.10.2009. URL: http://minenergo.gov.ru/news/min_news/2052.html (date of access: 23.03.2010).

²⁴⁶ Ministry of Energy of Russia develops partnership with France in the sphere of energy efficiency // The official website of Ministry of Energy of the Russian Federation. 20.10.2009. URL: http://minenergo.gov.ru/news/min_news/2095.html (date of access: 23.03.2010).

²⁴⁷ Representatives of Russian energy industry are going to develop partnership with the United Kingdom in the sphere of energy efficiency // The official website of Ministry of Energy of the Russian Federation. 02.11.2009. URL: http://minenergo.gov.ru/news/min_news/2255.html (date of access: 23.03.2010).

²⁴⁸ Energy Dialog Russia-EU // The official website of Ministry of Energy of the Russian Federation. 15.12.2009. URL: http://minenergo.gov.ru/news/min_news/2553.html (date of access: 23.03.2010).

²⁴⁹ Russian-Japanese partnership in the sphere of energy efficiency is developing actively // The official website of Ministry of Energy of the Russian Federation. 01.03.2010. URL: http://minenergo.gov.ru/news/min_news/3006.html (date of access: 23.03.2010).

Saudi Arabia: 0

Saudi Arabia has fully complied with the commitment to take steps to facilitate the diffusion and transfer of clean energy technology.

On 24 January 2010, King Abdulaziz launched a major national initiative to produce desalinated water and electricity using solar energy. Prince Turki bin Saud bin Muhammad, vice president of City of Science and Technology (KACST) for research institutes said the first solar-powered desalination plant with a capacity of 30,000 cubic meters of water daily would be established in Al-Khafji to serve 100,000 people. In the second phase of the project, a desalination plant with a capacity of 300,000 cubic meters of water daily would be established, said Muhammad Al-Suwaiyel, president of KACST.²⁵⁰

On 18 April 2010, the full text of the regulations on establishment of the King Abdullah City of Atomic and Renewable Energy was released. According to the Article Four of the document the City will be the authority to fulfill national commitments pertaining to all agreements the Kingdom has signed or will sign regarding atomic and renewable energy. Besides the institution will support scientific research and development in industries related to atomic and renewable energy. This includes localization of technology in the field of its specialization, specifying and coordinating the activities of scientific research centers in the Kingdom, organizing local conferences and participating in international conferences.²⁵¹

On 8 April 2010, American multinational IBM, and the KACST announced research collaboration aimed at creating a water desalination plant in the city of Al Khafji powered by solar electricity, which could significantly reduce water and energy costs. KACST plans to power the plant with the ultra-high concentrator photovoltaic (UHCPV) technology that is being jointly developed by IBM and KACST.²⁵²

Thus, Saudi Arabia has been awarded a score of 0 for promotion of clean energy technology by itself.

Analyst: Maria Datsik

South Africa: 0

South Africa made some important steps in diffusion of clean energy technologies in partnership with other G20 countries.

On 29-30 September, South African Government hosted Carbon Capture and Storage (CCS) Conference to raise awareness of CCS technologies and to establish channels to transfer knowledge from international experts into South Africa. Representatives of Australia, UK, Norway attended the Conference. It was announced that the Research Centre for CCS will be also launched in South Africa to demonstrate the technology.²⁵³

On 9 October 2009, The Minister of Energy, Ms Dipuo Peters and the Clinton Climate Initiative, a programme of the William J. Clinton Foundation signed a memorandum of understanding to assess the

²⁵⁰ Solar energy initiative launched // A1SaudiArabia.com. Saudi Arabia News and Updates. 25.01.2010. URL: <http://www.al-saudi-arabia.com/Solar-energy-initiative-launched/> (date of access: 23.04.2010).

²⁵¹ Kingdom moves to develop atomic energy // A1SaudiArabia.com. Saudi Arabia News and Updates. 18.04.2010. URL: <http://www.al-saudi-arabia.com/Kingdom-moves-to-develop-atomic-energy/> (date of access: 23.04.2010).

²⁵² IBM, KACST Unveil Research Initiative to Desalinate Seawater Using Solar Power// Middle East business, Middle East business directory, Middle East products. 08.04.2010. URL: <https://www.zawya.com/story.cfm/sidZAWYA20100408084320/IBM%2C%20KACST%20Unveil%20Research%20Initiative%20to%20Desalinate%20Seawater%20Using%20Solar%20Power> (date of access: 23.04.2010).

²⁵³ South African government host Carbon Capture and Storage (CCS) Conference which will be held from 29-30 September 2009 at the Sandton Sun, Johannesburg, South Africa // The official website of Department of Minerals and Energy. 30.09.2009. URL: http://www.dme.gov.za/pdfs/media_release/MEDIA_RELEASE_SA_Government.pdf (date of access: 23.03.2010).

potential for creating a Solar Park in South Africa.²⁵⁴ In October 2009, Ms Dipuo Peters also took part in the discussions of the possibilities to speed up a transition to a low-carbon economy in the framework of the UN roundtable programme.²⁵⁵

On 17 January 2010, Ms Dipuo Peters signed the register of the International Renewable Energy Agency (IRENA) statutes that has enabled South Africa to become a full member of IRENA which aims to become the main driving force in promoting a rapid transition towards widespread use of renewable energy on a global scale.²⁵⁶

Minister in the Presidency for National Planning Trevor Manuel became the member of the High-Level Advisory Group of the United Nations Secretary-General on Climate Change Financing launched on 12 February 2010 to study the potential sources of revenue for financing mitigation climate change activities in developing countries.²⁵⁷

On 4 March 2010, the UK and South Africa agreed to redouble their efforts on development of South Africa's low-carbon growth and carbon capture and storage, both of which the UK will support.²⁵⁸

Thus, South Africa cooperates with other G20 countries on developing and transfer of clean energy technologies, however, doesn't make steps in transfer of clean energy technologies alone. Thus, it receives a score of 0 for the partial compliance of the commitment.

Analyst: Natalya Churkina

Turkey: +1

Turkey has fully complied with its commitment to take steps in facilitating the diffusion or transfer of clean energy technology alone likewise with one of the G-20 member, namely Republic of Korea.

On 1 October 2010, speaking to Today's Zaman, wind Energy Power Stations Investors Association (RESYAD) President Selahattin Baysal said he was quite hopeful that a renewable energy bill the government is planning to pass in the coming legislative session would be a great help in clearing the adverse effects of the global economic crisis from the overall economy by boosting investments in this flourishing industry.²⁵⁹

On 8 October 2009, Energy and Natural Resources Minister Taner Yıldız criticized the delay in the establishment of energy generating facilities from wind power. Attending the International Energy Congress 2009-Renewable Energy in Ankara, Yıldız said they attach great importance to renewable

²⁵⁴ Signing of Memorandum of Understanding (MOU) between South African Government and Clinton Foundation // The official website of Department of Minerals and Energy. 09.10.2009. URL:

http://www.dme.gov.za/pdfs/media_release/MOU.doc (date of access: 23.03.2010).

²⁵⁵ Minister Peter delivers a speech at United Nations (UN) Environmental Programme (Finance Investment) Global Roundtable in Cape Town // The official website of Department of Minerals and Energy. URL:

http://www.dme.gov.za/pdfs/media_release/MEDIA_ALERT_UNITED%20NATIONS_21_OCTOBER_2009.pdf (date of access: 23.03.2010).

²⁵⁶ Minister Peters signs major international renewable energy statute // The official website of Department of Minerals and Energy. 17.01.2010. URL:

http://www.dme.gov.za/pdfs/media_release/MINISTER_SIGNS_REN_ENERGY_STATUTE.pdf (date of access: 25.04.2010).

²⁵⁷ Secretary-General Names Members of High-Level Advisory Group on Mobilizing Climate Change Resources // The official website of United Nations. URL: <http://www.un.org/News/Press/docs/2010/sga1223.doc.htm> (date of access: 25.04.2010).

²⁵⁸ Joint declaration by Gordon Brown and President Jacob Zuma // The official website of Foreign & Commonwealth Office. 04.03.2010. URL: <http://www.fco.gov.uk/en/news/latest-news/?view=PressS&id=21877810> (date of access: 23.03.2010).

²⁵⁹ RESYAD: Renewables bill will help Turkey in crisis // TODAY'S ZAMAN NEWS. URL:

<http://www.todayszaman.com/tz-web/news-188496-resyad-renewables-bill-will-help-turkey-in-crisis.html> (date of access: 01.10.2009)

energy. He added that "The ministry is still continuing about 1,600 projects pertaining to hydroelectricity. Similarly, studies are on the way about geothermal energy".²⁶⁰

On 7 April 2010, Speaking in Ankara World Bank Country Director Ulrich Zachau said that Turkey was a leader in the region for its efforts to identify renewable sources of energy and has taken important steps in developing its vital energy sector.²⁶¹

On 10 March 2010, Turkey and Republic of Korea signed a cooperation protocol to establish a nuclear energy power plant in the northern Turkish province of Sinop. The protocol was signed on the sidelines of a Turkish-South Korean Business Forum.²⁶²

On 4 May 2010, the process for the privatization of 52 Electric Generation Company (EÜAŞ) hydroelectric plants divided into 19 groups was begun on 4 May 2010 and is scheduled to be completed by May 21.²⁶³

On 12 May 2010, during President Medvedev's visit to Turkey, President Gül had a briefing on two countries' energy projects, he announced that there would be many others to be carried out not only in the petrol, natural gas pipelines but also in nuclear energy in cooperation with Russia.²⁶⁴

Thus, Turkey is awarded a score of +1 for full compliance with a commitment.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The UK has fully complied with the G20 commitment.

The UK traditionally plays active role in facilitating policy on climate change mitigation, including the diffusion or transfer of clean energy technology both alone and in cooperation with other G20 countries. On 31 March 2010, the 'Beyond Copenhagen: The UK Government's International Climate Change Action Plan' was announced, which became the new framework of the UK activities in facilitating clean energy development.²⁶⁵

The UK provides incentives for private sector to develop clean energy technologies. For example, on 24 March 2010, the Labor Chancellor, Alistair Darling, announced the creation of a GBP2 billion (USD2.9 billion) green investment bank, which will invest in the low-carbon sector and will be formed by public (GBP1 billion (USD1.45 billion)) and private (GBP1 billion (USD1.45 billion)) investments. From 1 April 2010, the feed-in tariffs will be also introduced to incentivise small-scale low-carbon electricity generation.²⁶⁶

The Department for Business Innovation and Skills, the Department for Energy and Climate Change and UK Trade and Investment also conduct review of global low-carbon business opportunities to

²⁶⁰ Minister vows more investment in wind energy // TODAY'S ZAMAN NEWS. URL: <http://www.todayszaman.com/tz-web/news-189379-minister-vows-more-investment-in-wind-energy.html> (date of access: 09.10.2009)

²⁶¹ World Bank: Turkey region's leader in energy investments // TODAY'S ZAMAN NEWS. URL: <http://www.todayszaman.com/tz-web/news-206786-world-bank-turkey-regions-leader-in-energy-investments.html> (date of access: 08.04.2010)

²⁶² Turkey, South Korea sign protocol to establish nuclear power plant // THE ANATOLIA NEWS AGENCY. URL: <http://www.todayszaman.com/tz-web/news-203911-turkey-south-korea-sign-protocol-to-establish-nuclear-power-plant.html> (date of access: 10.03.2010)

²⁶³ Tenders for 52 hydro power plants kick off // TODAY'S ZAMAN NEWS. URL: <http://www.todayszaman.com/tz-web/news-209316-tenders-for-52-hydro-power-plants-kick-off.html> (date of access 05.05.2010)

²⁶⁴ Visa Requirement between Turkey and Russia Lifted // The official web-site of President of Turkey, URL: <http://www.tccb.gov.tr/pages/news/detail/?d=haber1734> (date of access 12.05.2010)

²⁶⁵ Government Kick-Starts Renewed Push for Global Climate Deal // The official website of Department of Energy and Climate Change. 31.03.2010. URL: http://decc.gov.uk/en/content/cms/news/pn10_054/pn10_054.aspx (date of access: 23.04.2010).

²⁶⁶ Beyond Copenhagen: The UK Government's International Climate Change Action Plan // The official website of Department of Energy and Climate Change. 31.03.2010. URL: http://decc.gov.uk/en/content/cms/news/pn10_054/pn10_054.aspx (date of access: 23.04.2010).

match the UK competitive advantages in overseas low-carbon markets.²⁶⁷ And the UK has already started the active work in transfer of its clean energy technologies to other countries.

On 11 March 2010, UK Trade and Investment (UKTI) gathered UK companies to inform them of UKTI measure aimed to help them enter the low carbon markets in the world.²⁶⁸ In November 2009, UKTI Chief Executive Sir Andrew Cahn visited China to discuss how UK firms can help to make China's fast-growing urban centres sustainable.²⁶⁹ In January 2010, the government assisted the UK companies in participation in the World Future Energy Summit in Abu Dhabi to promote fuel cell technology, offshore wind energy and carbon capture and storage technologies.²⁷⁰ In March 2010, the UK also held the conference to promote its nuclear expertise.²⁷¹

The UK is also financing different climate initiatives allowing promotion of clean technologies in developing countries. In January 2010, the UK Department of Energy and Climate Change and the United Arab Emirates have announced GBP1 million (USD1.45 million) of joint funding for renewable energy policy research.²⁷²

One of the most important initiatives with other G20 countries became the creation of the High Level Advisory Group on Climate Change Financing in February 2010.²⁷³ The Group will facilitate the implementation of the agreement reached at Copenhagen to invest USD100 billion (USD145.5 billion) a year of public and private finance by 2020 to help developing countries cope with transition to low carbon models of economic development.²⁷⁴

On 13 October 2009 UK Energy and Climate Change Secretary Ed Miliband co-chaired Carbon Sequestration Leadership Forum (CSLF²⁷⁵) in London to consider a new IEA CCS roadmap that suggests 100 CCS demonstration projects are needed by 2020.²⁷⁶ On 7 December 2009, the UK, Germany, France, Belgium, the Netherlands, Luxembourg, Denmark, Sweden and Ireland signed up to develop an integrated offshore grid in the North and Irish Seas to optimise offshore wind electricity

²⁶⁷ Beyond Copenhagen: The UK Government's International Climate Change Action Plan // The official website of Department of Energy and Climate Change. 31.03.2010. URL: http://decc.gov.uk/en/content/cms/news/pn10_054/pn10_054.aspx (date of access: 23.04.2010).

²⁶⁸ Think Global and Open up Key Low Carbon Markets // The official website of UK Trade & Investment. 11.03.2010. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/aerospace/think-global-and-open-up-key-low-carbon-markets.ashx> (date of access: 23.03.2010).

²⁶⁹ Five days, five cities: UKTI explores South China's low carbon potential // The official website of UK Trade & Investment. 16.11.2009. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/-andrew-cahn/five-days-five-cities-ukti-explores-south-chinas-l.ashx> (date of access: 23.03.2010).

²⁷⁰ UK to be major presence at World Future Energy Summit // The official website of UK Trade & Investment. 19.01.2010. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/news/uk-to-be-major-presence-at-world-future-energy-sum.ashx> (date of access: 23.03.2010).

²⁷¹ Nuclear's next generation showcased in London // The official website of UK Trade & Investment. 02.03.2010. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/-andrew-cahn/nuclears-next-generation-showcased-in-london.ashx> (date of access: 23.03.2010).

²⁷² £1M to fund research into renewable energy policy in the UK and UAE // The official website of Department of Energy & Climate Change. 18.01.2010. URL: <http://decc.gov.uk/en/content/cms/news/pn007/pn007.aspx> (date of access: 23.03.2010).

²⁷³ The Group includes official representatives from such G20 countries as the UK, Brazil, Mexico, France, South Africa, Australia, Japan, India, USA and China. URL: <http://www.un.org/News/Press/docs/2010/sga1223.doc.htm> (date of access: 23.03.2010).

²⁷⁴ Launch of the high level advisory group on climate change financing: webcast // The official website of Department of Energy & Climate Change. 12.02.2010. URL: http://decc.gov.uk/en/content/cms/news/pn10_019/pn10_019.aspx (date of access: 23.03.2010).

²⁷⁵ The CSLF is currently comprised of 23 members: 22 countries including China, US, Australia, Canada, South Africa and UK as well as the European Commission. URL: <http://www.decc.gov.uk/en/content/cms/news/pn115/pn115.aspx> (date of access: 23.03.2010).

²⁷⁶ London meeting pushes CCS up Copenhagen agenda // The official website of Department of Energy & Climate Change. 13.10.2009. URL: <http://decc.gov.uk/en/content/cms/news/pn115/pn115.aspx> (date of access: 23.03.2010).

production.²⁷⁷ The UK also facilitates bilateral partnerships with some G20 countries on clean energy technologies development, for example, with Saudi Arabia²⁷⁸, South Korea²⁷⁹ and South Africa²⁸⁰.

Thus, the UK takes steps to facilitate the diffusion or transfer of clean energy technology alone and in cooperation with other G20 countries, and is awarded a score of +1 for full fulfillment of this commitment.

Analyst: Natalya Churkina

USA: +1

The USA has fully complied with the G20 commitment on clean energy transfer.

The USA has done a lot to facilitate the diffusion or transfer of clean energy technology and allocated much funds to meet this end both nationally and internationally.

Nearly USD72 million in funding from the American Recovery and Reinvestment Act were awarded to 7 states and territories to support energy efficiency and conservation activities.²⁸¹ On 8 October 2009 Energy Secretary Steven Chu announced that up to USD87 million would be made available to support the development of new solar energy technologies and the rapid deployment of available carbon-free solar energy systems.²⁸² The first USD151 million in funding through the Advanced Research Projects Agency for Energy (ARPA-E) were announced on 26 October 2010.²⁸³

In December 2009 3 new projects with a value of USD3.18 billion were selected to accelerate the development of advanced coal technologies with carbon capture and storage at commercial scale.²⁸⁴ On 22 December 2009 USA Department of Energy Secretary Steven Chu outlined the Department's plans to invest up to USD366 million to establish and operate three new Energy Innovation Hubs focused on accelerating research and development.²⁸⁵ In May U.S. Department of Energy selected projects for investment of up to USD62 million over five years to research, develop, and demonstrate Concentrating Solar Power (CSP) systems capable of providing low-cost electrical power.²⁸⁶

Many projects are receiving investment from the American Recovery and Reinvestment Act. In October 2009 up to USD338 million in Recovery Act funding was made available for 123 advanced

²⁷⁷ UK signs up to Europe's first offshore wind grid // The official website of, Department of Energy & Climate Change. 07.12.2009. URL: <http://decc.gov.uk/en/content/cms/news/pn146/pn146.aspx> (date of access: 23.03.2010).

²⁷⁸ Saudi Arabia looking into renewable energy: Lady Judge // The official website of, UK Trade & Investment. 09.12.2009. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/market/saudi-arabia-looking-into-renewable-energy-lady-judge.ashx> (date of access: 23.03.2010).

²⁷⁹ UKTI Chief Executive: EU-Korea free trade deal will be good for UK firms // The official website of UK Trade & Investment. 01.02.2010. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/automotive-industry/ukti-chief-executive-eu-korea-free-trade-deal-will2.ashx> (date of access: 23.03.2010).

²⁸⁰ Joint declaration by Gordon Brown and President Jacob Zuma // The official website of Foreign & Commonwealth Office. 04.03.2010. URL: <http://www.fco.gov.uk/en/news/latest-news/?view=PressS&id=21877810> (date of access: 23.03.2010).

²⁸¹ Obama Administration Delivers Nearly \$72 Million for Energy Efficiency and Conservation Projects in 7 States and Territories, U.S. Department of Energy 1 October 2009. URL: <http://www.energy.gov/news/8099.htm>. (date of access: 15.03.2010).

²⁸² DOE Announces \$87 Million in Funding to Support Solar Energy Technologies, U.S. Department of Energy 8 October 2009 URL: <http://www.energy.gov/news/8115.htm>. (date of access: 15.03.2010).

²⁸³ Secretary Chu Announcement of \$151 Million in ARPA-E Grants, U.S. Department of Energy 26 October 2009. URL: <http://www.energy.gov/news/8211.htm>. (date of access: 15.03.2010).

²⁸⁴ Secretary Chu Announces USD3 Billion Investment for Carbon Capture and Sequestration, U.S. Department of Energy 4 December 2009. URL: <http://www.energy.gov/news/8356.htm>. (date of access: 15.03.2010).

²⁸⁵ Department of Energy to Invest USD366 million in Energy Innovation Hubs, USA Department of Energy 22 December 2009. URL: <http://www.energy.gov/news/8409.htm>. (date of access: 15.03.2010).

²⁸⁶ Secretary Chu Announces up to USD62 million for Concentrating Solar Power Research and Development, U.S. Department of Energy 7 May 2010. URL: <http://www.energy.gov/news/8958.htm>. (date of access: 7.05.2010).

geothermal projects in 39 states, with recipients including private industry, academic institutions, tribal entities, local governments, and DOE's National Laboratories.²⁸⁷

More than USD18 million in funding was made available to support small business innovation research, development and deployment of clean energy technologies through 125 grants of up to USD150,000 each to 107 small advanced technology firms across the USA²⁸⁸

In May 2010 further USD60 million was promised to be available from the American Recovery and Reinvestment Act to continue supporting innovative small business research and development leading to deployment of clean energy technologies. This is a Phase II funding opportunity under the Department's Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) program for companies that have already demonstrated successful results with new technologies and can now show potential to meet market needs.²⁸⁹

At the international level the USA is cooperating with many G20 partners, Japan, China, India, Arab Emirates, etc.

On 17 November 2009 several USA-China clean energy initiatives were announced: Clean Energy Research Center, Electric Vehicles Initiative, Energy Efficiency Action Plan, Energy Cooperation Program, etc.²⁹⁰ In November the USA and Japan agreed to accelerate joint research on clean energy.²⁹¹

On April 16 2010 Canada and the USA signed a Declaration of Intent for Cooperation in Energy Science and Technology.²⁹² On 26 April 2010 the USA Department of Energy signed a Memorandum of Understanding with Abu Dhabi's renewable company Masdar. According to this document, there are 3 areas for cooperation: carbon capture and sequestration, water and bio-fuels, and building technology. Scientific and technical exchanges and joint research and development of clean energy technologies between two countries are now possible.²⁹³

On 3-4 June 2010 the USA Department of Energy (DOE) hosted a major Energy Efficiency Conference for industry and government leaders in Istanbul. The focus of the conference was the future of energy efficiency in Southeast Europe and the Caucasus while showcasing cutting-edge technologies, identifying best practices, and providing guidance to both businesses and governments on reducing costly energy consumption.²⁹⁴

The USA has fully complied with its G20 commitment and is scored +1.

Analyst: Tatyana Lanshina

European Union: 0

The EU has partially complied with its G20 commitment on diffuse of clean energy.

²⁸⁷ Department of Energy Awards \$338 Million to Accelerate Domestic Geothermal Energy, U.S. Department of Energy 29 October 2009. URL: <http://www.energy.gov/news/8233.htm>. (date of access: 15.03.2010).

²⁸⁸ DOE to Invest \$18 Million in Small Business Clean Energy Innovation Projects, U.S. Department of Energy 23 November 2009. URL: <http://www.energy.gov/news/8300.htm>. (date of access: 15.03.2010).

²⁸⁹ Department of Energy Announces USD60 Million for Small Business Clean Energy Innovation Projects // U.S. Department of Energy. 07.05.2010. URL: <http://www.energy.gov/news/8953.htm>. (date of Access: 07.05.2010).

²⁹⁰ U.S.-China Clean Energy Announcements // U.S. Department of Energy. 17.11.2009. URL: <http://www.energy.gov/news/8292.htm> (date of access: 07.05.2010).

²⁹¹ Japan - U.S. Clean Energy Technologies Action Plan. Ministry of Economy // Trade and Industry November 2009. 19.04.2010. URL: http://www.meti.go.jp/english/policy/energy_environment/global_warming/e20091113a02.html (date of access: 07.05.2010).

²⁹² Climate Change Law Practice Group Blog, Davis 20.04.2010. URL: <http://www.davis.ca/en/blog/Climate-Change-Law-Practice-Group/2010/04/20/Canada-US-Clean-Energy-Dialogue-Governments-of-Canada-and-the-United-States-take-another-step-to-develop-clean-energy-technology> (date of access: 07.05.2010).

²⁹³ DOE to Cooperate With United Arab Emirates On Clean Energy // E-Boom Finance. 06.05.2010. URL: <http://www.energyboom.com/policy/doe-cooperate-united-arab-emirates-clean-energy> (date of access: 07.05.2010).

²⁹⁴ U.S. Department of Energy to Host Regional Energy Efficiency Conference in Istanbul, Turkey on June 3-4 //U.S. Department of Energy. 20.04.2010. URL: <http://www.energy.gov/news/8868.htm> (date of Access: 07.05.2010).

The European Commission adopted the Communication European strategy on clean and energy efficient vehicles, according to which it ensured that European research continued targeting low carbon fuels and clean and energy efficient transport, including the improvement of conventional engines, electric drivetrains including alternative battery technologies and hydrogen technologies with grants focusing on topics with clear added value at EU level; simplify and streamline administrative rules of obtaining EU research grants; propose a long term research strategy in 2011 in the Strategic Transport Technology Plan and in the Communication on Clean Transport Systems; explore with the European Investment Bank the continuation of support to research and innovation projects to promote clean and energy efficient automotive products to support the transformation of the industry.²⁹⁵

The Council of the EU stressed the need for more efficient Research and Development investment and the commercialization and adoption of low-carbon and clean technologies, as well as implementing and strengthening a sustainable energy- and resource-efficient product policy through eco-design and taking into account the principles of smart regulation, and called for the tools and initiatives with a strong potential, such as lead markets, clusters and pre-commercial public procurement, to be promoted following assessment.²⁹⁶

The Council of the EU stressed the emphasis on resource and energy efficiency, developing and deploying new, safe and sustainable low-carbon and other clean technologies, and associated industries and services, including, inter alia, clean coal technologies, and renewable energy and promoting world-wide carbon emission pricing in order to provide incentives for markets to invest in cleaner technologies.²⁹⁷ The Council of the EU invited the Commission and Member States to further discuss the need for new infrastructures which support a sustainable and more efficient energy supply, such as smart grids, smart metering, electric vehicle infrastructure and alternative fuels infrastructure; and to continue incentives to energy-efficiency measures in industry in line with state aid rules, to encourage measures to internalise external costs in industry and transport in line with investment horizons, and to promote the development and use of information and communication technology in support of environmental technologies and services, taking into account the specificities of Member States.²⁹⁸

On 7 October, 2009 the Technology Roadmap was adopted. This is an accompanying document to the Communication on Investing in the Development of Low Carbon Technologies (SET-Plan) and it states that European research, development and demonstration programme on low carbon energy technologies was estimated by the Commission together with the industry to cost between 58.5 to EUR71.5 billion (USD86.6 billion) over the next 10 years. This should be shared between industry, the Member States and the European Commission.²⁹⁹

²⁹⁵ Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee: A European strategy on clean and energy efficient vehicles. COM(2010)186 final // European Commission. 28.04.2010. URL:

http://ec.europa.eu/enterprise/sectors/automotive/files/pagesbackground/competitiveness/com-2010-186_en.pdf (date of Access: 07.05.2010).

²⁹⁶ Draft Council conclusions on the need for a new industrial policy (doc. 6023/10 of 11 February 2010) // The Council of the European Union. URL: <http://register.consilium.europa.eu/pdf/en/10/st06/st06023.en10.pdf> (date of access: 07.06.2010).

²⁹⁷ Council Conclusions: Towards a competitive, innovative and eco-efficient Europe — a contribution by the Competitiveness Council to the post-2010 Lisbon agenda (doc. 17179/09 of 7 December 2009) // The Council of the European Union. URL: <http://register.consilium.europa.eu/pdf/en/09/st17/st17179.en09.pdf> (date of access: 07.06.2010).

²⁹⁸ Council Conclusions: Towards a competitive, innovative and eco-efficient Europe — a contribution by the Competitiveness Council to the post-2010 Lisbon agenda (doc. 17179/09 of 7 December 2009) // The Council of the European Union. URL: <http://register.consilium.europa.eu/pdf/en/09/st17/st17179.en09.pdf> (date of access: 07.06.2010).

²⁹⁹ Commission of the European Communities. Accompanying document to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Investing in the Development of Low Carbon Technologies (SET-Plan): A Technology Roadmap. Brussels // The European Commission. 07.10.2009. URL: http://ec.europa.eu/energy/technology/set_plan/doc/2009_comm_investing_development_low_carbon_technologies_roadmap.pdf (date of access: 07.06.2010).

In spite of the attempts of the EU and its readiness to facilitate the diffusion or transfer of clean energy technology in cooperation with one or several G20 countries no any agreement or action in this area has been registered. Thus, for partial compliance the EU is awarded a score of 0.

Analyst: Arina Shadrikova

3. Financial and Regulatory Reform

10 - We committed to act together to raise capital standards, to implement strong international compensation standards aimed at ending practices that lead to excessive risk-taking, to improve the over-the-counter derivatives market and to create more powerful tools to hold large global firms to account for the risks they take.

G20 Leaders Statement: The Pittsburgh Summit

Background

At the Washington summit G20 leaders requested G20 Finance Ministers to formulate additional recommendations on reviewing compensation practices as they relate to incentives for risk taking and innovation. G20 leaders stated that «financial institutions should have clear internal incentives to promote stability, and action needs to be taken, through voluntary effort or regulatory action, to avoid compensation schemes which reward excessive short-term returns or risk taking».³⁰⁰

According to the call of the G20 leaders the Basel Committee on Banking Supervision (BCBS) developed a concrete proposal to substantially strengthen the quality, consistency and transparency of capital. In December 2009 the BCBS issued a consultative document called International framework for liquidity risk measurement, standards and monitoring.³⁰¹

During the 2009 G8 Finance Ministerial in Lecce, Italy, members released a statement outlining their commitment to regulatory reform in their respective countries and on the international level. The Ministers stated that they were committed to implementing the decision, which were taken at the London G20 Summit, among these decisions is the need to encourage other countries to join the efforts of the G8 to ensure global financial stability and an international level playing field.³⁰² The meeting also produced a commitment to encourage the appropriate international institutions to meticulously monitor the implementation of these decisions. The Finance Ministers also called on the Financial Stability Board (FSB) to “develop a toolbox of measures” in order to ensure adherence to prudential standards and enhanced cooperation with jurisdictions.³⁰³ The FSB carries out several monitoring on G20 financial commitments implementation. In December 2009 it launched Thematic Review on Compensation.³⁰⁴ But reports issued by the FSB don’t provide specific information on each member state.³⁰⁵

Commitment Features

G8 leaders have made a very specific commitment to act together to:

1. raise capital standards;
2. implement strong international compensation standards aimed at ending practices that lead to excessive risk-taking;
3. improve the over-the-counter derivatives market;

³⁰⁰ Declaration of the Summit on Financial Markets and the World Economy // G20 Information Centre. 15.11.2008. URL: <http://www.g20.utoronto.ca/2008/2008declaration1115.html> (date of access: 31.10.2009).

³⁰¹ Consultative Document International framework for liquidity risk measurement, standards and monitoring. Basel Committee on Banking Supervision // The official website of the Bank for international settlements. 16.04.2010. URL: <http://www.bis.org/publ/bcbs165.pdf> (date of access: 15.06.2010).

³⁰² Statement of G8 Finance Ministers // The official website of the department of Finance Canada. 13.06.2009. URL: <http://www.fin.gc.ca/n08/09-061-eng.asp> (date of access: 31.10.2009).

³⁰³ Statement of G8 Finance Ministers. // The official website of the department of Finance Canada. 13.06.2009. URL: <http://www.fin.gc.ca/n08/09-061-eng.asp> (date of access: 31.10.2009).

³⁰⁴ Thematic Review on Compensation. Review Template // The website of the Financial Stability Board. 22.12.2009. URL: http://www.financialstabilityboard.org/publications/r_100109b.pdf (date of access: 15.06.2010).

³⁰⁵ Progress since the Pittsburgh Summit in Implementing the G20 Recommendations for Strengthening Financial Stability Report of the Financial Stability Board to G20 Finance Ministers and Governors // The website of the Financial Stability Board. 07.11.2009. URL: http://www.financialstabilityboard.org/publications/r_091107a.pdf (date of access: 15.06.2010).

4. create more powerful tools to hold large global firms to account for the risks they take.

As stated in the Pittsburgh Summit Statement of G20 Leaders these areas of actions include the following specific measures:

1. *“Building high quality capital and mitigating pro-cyclicality:* We commit to developing by end-2010 internationally agreed rules to improve both the quantity and quality of bank capital and to discourage excessive leverage. These rules will be phased in as financial conditions improve and economic recovery is assured, with the aim of implementation by end-2012. The national implementation of higher level and better quality capital requirements, counter-cyclical capital buffers, higher capital requirements for risky products and off-balance sheet activities, as elements of the Basel II Capital Framework, together with strengthened liquidity risk requirements and forward-looking provisioning, will reduce incentives for banks to take excessive risks and create a financial system better prepared to withstand adverse shocks. We welcome the key measures recently agreed by the oversight body of the Basel Committee to strengthen the supervision and regulation of the banking sector. We support the introduction of a leverage ratio as a supplementary measure to the Basel II risk-based framework with a view to migrating to a Pillar 1 treatment based on appropriate review and calibration. To ensure comparability, the details of the leverage ratio will be harmonized internationally, fully adjusting for differences in accounting. All major G20 financial centers commit to have adopted the Basel II Capital Framework by 2011.

2. *Reforming compensation practices to support financial stability:* Excessive compensation in the financial sector has both reflected and encouraged excessive risk taking. Reforming compensation policies and practices is an essential part of our effort to increase financial stability. We fully endorse the implementation standards of the FSB aimed at aligning compensation with long-term value creation, not excessive risk-taking, including by (i) avoiding multi-year guaranteed bonuses; (ii) requiring a significant portion of variable compensation to be deferred, tied to performance and subject to appropriate clawback and to be vested in the form of stock or stock-like instruments, as long as these create incentives aligned with long-term value creation and the time horizon of risk; (iii) ensuring that compensation for senior executives and other employees having a material impact on the firm’s risk exposure align with performance and risk; (iv) making firms’ compensation policies and structures transparent through disclosure requirements; (v) limiting variable compensation as a percentage of total net revenues when it is inconsistent with the maintenance of a sound capital base; and (vi) ensuring that compensation committees overseeing compensation policies are able to act independently. Supervisors should have the responsibility to review firms’ compensation policies and structures with institutional and systemic risk in mind and, if necessary to offset additional risks, apply corrective measures, such as higher capital requirements, to those firms that fail to implement sound compensation policies and practices. Supervisors should have the ability to modify compensation structures in the case of firms that fail or require extraordinary public intervention. We call on firms to implement these sound compensation practices immediately. We task the FSB to monitor the implementation of FSB standards and propose additional measures as required by March 2010.

3. *Improving over-the-counter derivatives markets:* All standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012 at the latest. OTC derivative contracts should be reported to trade repositories. Non-centrally cleared contracts should be subject to higher capital requirements. We ask the FSB and its relevant members to assess regularly implementation and whether it is sufficient to improve transparency in the derivatives markets, mitigate systemic risk, and protect against market abuse.

4. *Addressing cross-border resolutions and systemically important financial institutions by end-2010:* Systemically important financial firms should develop internationally-consistent firm-specific contingency and resolution plans. Our authorities should establish crisis management groups for the major cross-border firms and a legal framework for crisis intervention as well as improve information sharing in times of stress. We should develop resolution tools and frameworks for the effective

resolution of financial groups to help mitigate the disruption of financial institution failures and reduce moral hazard in the future. Our prudential standards for systemically important institutions should be commensurate with the costs of their failure. The FSB should propose by the end of October 2010 possible measures including more intensive supervision and specific additional capital, liquidity, and other prudential requirements”.³⁰⁶

Full compliance with this commitment would require members to take action on the majority of these matters: namely, on at least three out of the four aforementioned issues. G20 members committed to cooperate while dealing with these issues. Hence, any actions that address the aforementioned issues and are taken in either the domestic or the international sphere should be counted as compliance.

Useful links

Bank for International Settlements - <http://www.bis.org>

Committee on the Global Financial System - <http://www.bis.org/cgfs/index.htm>

Financial Stability Board - <http://www.financialstabilityboard.org/>

International Monetary Fund - <http://www.imf.org/>

Organisation for Economic Co-operation and Development - <http://www.oecd.org>

List of G20 members' central banks and finance ministries' websites - <http://www.g20.org/97.aspx>

Scoring

-1	G20 member addresses less than two of the following four issues, through actions in either the domestic or international sphere: 1) raising capital standards, 2) implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking, 3) improving the over-the-counter derivatives market, 4) creating more powerful tools to hold large global firms to account for the risks they take.
0	G20 member addresses two of the following four issues, through actions in either the domestic or international sphere: 1) raising capital standards, 2) implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking, 3) improving the over-the-counter derivatives market, 4) creating more powerful tools to hold large global firms to account for the risks they take.
+1	G20 member addresses at least three of the following four issues, through actions in either the domestic or international sphere: 1) raising capital standards, 2) implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking, 3) improving the over-the-counter derivatives market, 4) creating more powerful tools to hold large global firms to account for the risks they take.

Assessment

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina		0	
Australia			+1
Brazil	-1		

³⁰⁶ G20 Leaders Statement: The Pittsburgh Summit. // G20 Information Centre. 24.11.2009. URL: <http://www.g20.utoronto.ca/2009/2009communique0925.html> (date of access: 15.06.2010).

Canada		0	
China		0	
France			+1
Germany			+1
India	-1		
Indonesia	-1		
Italy		0	
Japan			+1
Republic of Korea			+1
Mexico		0	
Russian Federation			+1
Saudi Arabia	-1		
South Africa		0	
Turkey	-1		
UK			+1
USA		0	
EU			+1
Compliance Average	0.15		

Country compliance

Argentina: 0

Argentina has partially complied with the commitment to enforce regulatory and financial reforms.

On 13 October 2009, in accordance with the basic principles of the Basel Committee and with the aim of strengthening the supervision and regulation of the banking sector across the borders, the Central Bank of Argentina adopted a regulation with respect to the control of international financial activities. According to the regulation financial institutions can decentralize their administrative or non-operational activities in their foreign subsidiaries if they provide corresponding documents that certify their compliance with the Basel Committee requirements in their home countries only.³⁰⁷

As of January 2010 Argentina implements the first pillar of the Basel II accord regarding the minimum capital requirements in the framework of the Central Bank' "Enfoque Estandarizado Simplificado" program.³⁰⁸

On 22 December 2009, in order to increase transparency of banks and financial institutions, the Central Bank of Argentina issued a regulation on the accountability under which financial institutions

³⁰⁷ Informe sobre bancos, Octubre de 2009, Novedades normativas // The official website of the Central Bank of Argentina (Banco Central de la República Argentina). 13.10.2009. URL: <http://www.bcra.gov.ar/pdfs/polmon/InfBanc1009.pdf> (date of access: 15.06.2010).

³⁰⁸ Hoja de ruta para la implementación de Basilea II // The official website of the Central Bank of Argentina (Banco Central de la República Argentina). URL: <http://www.bcra.gov.ar/pdfs/marco/Hoja%20de%20ruta%20Basel%20II.pdf> (date of access: 15.06.2010).

are to account for their operations, both proprietary and on behalf of their clients, to the holders of deposits in an account summary.³⁰⁹

On 13 November 2009, the Central Bank of Argentina adopted a regulation regarding the banks' and financial institutions' procedures of checking their clients' backgrounds and creditworthiness and stated the principle of "know your client". Although the regulation was primarily targeted at avoiding money laundering and financing terrorism, it involves the overall improvement of the risk control in the financial sector.³¹⁰

On 19 November 2009, a regulation concerning the supervision of foreign-based financial companies operating in Argentina was adopted. The purpose of the regulation is to eliminate shell banks. The decree requires foreign financial legal entities to confirm by the watchdogs of their countries of origin that they are entitled to financial activities and provides for the inspection by local authorities in Argentina.³¹¹

All things considered, having introduced a number of regulations strengthening the supervision and regulation of the banking sector domestically and internationally but failing to address the over-the-counter derivatives market issues and raising capital standards, Argentina is awarded a score of 0.

Analyst: Polina Arkhipova

Australia: +1

Australia has fully complied with its commitment on financial and regulatory reform.

23 November 2009, at its meeting the Payments System Board decided to amend the EFTPOS interchange fee Standard to make the regulation of EFTPOS interchange fees more consistent with that for scheme debit interchange fees. The amended Standard caps the weighted average of any multilateral interchange fees in the EFTPOS system at the same level as for scheme debit – 12 cents paid to the issuer. It leaves the regulation of bilateral interchange fees unchanged – between 4 and 5 cents paid to the acquirer for purchase transactions³¹².

In December 2009, the Basel Committee on Banking Supervision (BCBS) issued new proposals on the definition of capital in their consultative document "Strengthening the resilience of the banking sector" aimed, inter alia, at building a harmonised approach to deductions from capital, ensuring that deductions are generally applied at the ordinary equity level. Once the BCBS proposals are finalised, the Australian Prudential Regulation Authority (APRA) will modify its capital requirements to meet them³¹³.

According to the report of the Financial Stability Board to G20 finance ministers and governors issued on 19 April 2010, Australia has already adopted the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) for listed companies.³¹⁴

³⁰⁹ Informe sobre bancos, Diciembre de 2009, Novedades normativas // The official website of the Central Bank of Argentina (Banco Central de la República Argentina). 22.12. 2009. URL: <http://www.bcra.gov.ar/pdfs/polmon/InfBanc1209.pdf> (date of access: 15.06.2010).

³¹⁰ Informe sobre bancos, Noviembre de 2009, Novedades normativas // The official website of the Central Bank of Argentina (Banco Central de la República Argentina). 13.11. 2009. URL: <http://www.bcra.gov.ar/pdfs/polmon/InfBanc1109.pdf> (date of access: 15.06.2010).

³¹¹ Informe sobre bancos, Noviembre de 2009, Novedades normativas // The official website of the Central Bank of Argentina (Banco Central de la República Argentina). 19.11. 2009. URL: <http://www.bcra.gov.ar/pdfs/polmon/InfBanc1109.pdf> (date of access: 15.06.2010).

³¹² Revised EFTPOS Interchange Fee Standard. // The official website of Reserve Bank of Australia. 29.11.2009. URL: <http://www.rba.gov.au/media-releases/2009/mr-09-27.html> (date of access: 10.03.2010).

³¹³ Discussion Paper. Supervision of conglomerate groups // The official website of Australian Prudential Regulation Authority. 18.03.2010. URL: <http://www.apra.gov.au/Policy/upload/Discussion-paper-Supervision-of-conglomerate-groups-March-2010.pdf> (date of access: 4.05.2010).

³¹⁴ Progress since the St Andrews meeting in Implementing the G20 Recommendations for Strengthening Financial Stability Report of the Financial Stability Board to G20 Finance Ministers and Governors // The official website of

According to the Thematic Review on Compensation issued by the Financial Stability Board (FSB) on 30 March 2010, the new rules pertaining to compensation governance take the form of legally binding requirements in Australia. Australian companies are required to form remuneration committees entirely of non-executive directors, a majority of whom are to be independent. Australian regulation authorities require companies submit annual compensation compliance reviews and board attestations.³¹⁵

On 19 January 2010, the Australian Financial Sector Legislation Amendment Bill of 2010 was released.³¹⁶ It aims to further enhance APRA data gathering and sharing powers by giving APRA the power to collect data from any entity providing financial services for the purpose of ensuring financial system stability³¹⁷.

According to the report of the Financial Stability Board to G20 finance ministers and governors issued on 19 April 2010, the legislation scheduled in Australia for passage and commencement in 2010, aims to further enhance the effectiveness of APRA crisis management powers³¹⁸.

Australia has addressed three of the four issues of the commitment: raising capital standards, implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking and creating more powerful tools to hold large global firms to account for the risks they take. Thus, it has been awarded a score of +1.

Analyst: Darya Frolova

Brazil: -1

Brazil has failed to comply with its commitment on financial regulation reform.

No facts or measures on raising capital standards, implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking, improving the over-the-counter derivatives market, creating more powerful tools to hold large global firms to account for the risks they take implemented by Brazil during the compliance cycle have been registered. Thus, Brazil has been awarded a score of -1.

Analyst: Polina Cherepova

Canada: 0

Canada has partially complied with its commitment on financial regulation reform.

On 28 September 2009, the Canadian Securities Administrators (CSA) announced that new rules for companies and individuals who deal in securities, provide investment advice or manage investment funds took effect. New regime has higher proficiency standards for some registrants. It also enhances

Financial Stability Board. 19.04.2009. URL: http://www.financialstabilityboard.org/publications/r_100419.pdf (date of access: 03.05.2010).

³¹⁵ Thematic Review on Compensation. Peer Review Report // The official website of Financial Stability Board.

30.03.2010. URL: http://www.financialstabilityboard.org/publications/r_100330a.pdf (date of access: 4.05.2010).

³¹⁶ Exposure Draft Financial Sector Legislation Amendment (Prudential Refinements and Other Measures) Bill 2010 and Explanatory Material // The official website of the Treasury of Australia. 19.01. 2010. URL: <http://www.treasury.gov.au/contentitem.asp?NavId=037&ContentID=1708> (date of access: 14.06.2010).

³¹⁷ Progress since the St Andrews meeting in Implementing the G20 Recommendations for Strengthening Financial Stability Report of the Financial Stability Board to G20 Finance Ministers and Governors // The official website of Financial Stability Board. 19.04.2009. URL: http://www.financialstabilityboard.org/publications/r_100419.pdf (date of access: 03.05.2010).

³¹⁸ Progress since the St Andrews meeting in Implementing the G20 Recommendations for Strengthening Financial Stability Report of the Financial Stability Board to G20 Finance Ministers and Governors // The official website of Financial Stability Board. 19.04.2009. URL: http://www.financialstabilityboard.org/publications/r_100419.pdf (date of access: 03.05.2010).

rules for consumer disclosure, referral arrangements, handling investor complaints, and disclosing and addressing conflicts of interest.³¹⁹

On 16 October, the CSA proposed changes in regulation that are aimed at ensuring a smooth transition from current Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS) for investment funds. The adoption of IFRS will change the accounting principles currently used by investment funds, and will impact the presentation of financial statements.³²⁰

On 19 September 2009, Jim Flaherty, Minister of Finance of Canada, said that Canadian regulators were in the process of implementing guidelines laid out earlier this year by the Financial Stability Board (FSB). Government officials have suggested that the onus would be on bank boards of directors to ensure that compensation practices do not encourage risky behavior.³²¹

On 22 September 2009, the Royal Bank of Canada declared it is changing the way it compensates its traders and investment bankers, including deferring some pay, in a bid to discourage employees from taking excessive risks. The changes include a higher stock ownership level for high-level bankers and a claw back provision for misconduct.³²²

Thus Canada has been awarded a score of 0 for fulfilling two of four issues of the commitment: raising capital standards and implementing strong compensation system aimed to reduce excessive risk-taking.

Analyst: Julia Ovchinnikova

China: 0

China has partially complied with its commitment on financial regulation reform.

On 13 January 2010, the China Banking Regulatory Commission issued new rules on capital adequacy: commercial banks should set up a capital adequacy assessment procedure which is based on the complexity of business operations and particular risks the banks face. The rule applies the capital requirement not only to credit risks and operational risks, but also to any other risk related to the strength of a financial institution. The minimum capital adequacy rate has been raised from 8 percent to 11 per cent for large banks, and to 10 per cent for small and medium-sized banks.³²³

On 30 October 2009, China Stock Market ChiNext was launched in Shenzhen, focusing on smaller high-growth/technology companies.³²⁴ China has set an 80 percent limit on share price movements for the opening day of ChiNext, its planned Nasdaq-style board, to curb speculative trading. China's main board in Shenzhen is dominated by state-owned firms such as Industrial & Commercial Bank of China and PetroChina.³²⁵

³¹⁹ National Registration regime Implemented : Canadian Securities Regulators Announce New Registration Rules And Streamlined Process For Dealers and Advisers // The official website of the Canadian Securities Administrators. 28.09. 2009. URL: <http://www.securities-administrators.ca/aboutcsa.aspx?id=835> (date of access: 14.02.2009).

³²⁰ Canadian Securities Regulators Prepared for Changes To Investment Fund Disclosure Resulting from IFRS // The official website of the Canadian Securities Administrators. 16.10.2009. URL: <http://www.securities-administrators.ca/aboutcsa.aspx?id=859> (date of access: 10.02.2010).

³²¹ Ottawa pushes for tougher banker pay rules at home // The website of the Reuters. 19.09.2009. URL: <http://www.reuters.com/article/idUSTRE58H44720090918> (date of access: 14.02.2010).

³²² RBC changes bonus scheme for traders, bankers // The website of the Reuters. 22.09. 2009. URL: <http://www.reuters.com/article/idUSN2243764020090922> (date of access: 14.02.2010).

³²³ China Tightens Capital Requirements // The website of the Caixin Media Company Ltd. 14.01.2010. URL: <http://english.caing.com/2010-01-14/100108051.html> (date of access: 13.01.2010).

³²⁴ Shenzhen ChiNext GEM Offline Share Subscriptions Attract 217 Mutual Funds // Blog at WordPress. 30.10.2009. URL: <http://blog.finetik.com/2009/10/30/shenzhen-chinext-gem-offline-share-subscriptions-attract-217-mutual-funds/> (date of access: 30.10.2009).

³²⁵ ChiNext // The official website of the China Stock Market. 31.10.2009. URL: <http://www.chinextboard.com/articles/39036/CHINEXT> (date of access: 30.10.2009).

On 28 November 2009, Zhou Xiaochuan, Governor of the People's Bank of China, opened the Shanghai Clearing House. This is a milestone in the development of China's inter-bank market.³²⁶

On 11 March 2010, the Chinese Premier Wen Jiabao said China will work hard to develop its financial market and press ahead with financial innovations. He also called for more efforts to boost direct financing, develop a multi-tier capital market system and expand the volume of equity and securities financing in a bid to meet diversified demands for investment and financing.³²⁷

During the compliance cycle China has addressed two of the four issues of the commitment: raising capital standards, implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking and creating more powerful tools to hold large global firms to account for the risks they take. Thus, it has been awarded a score of +1

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its commitment on Financial and Regulatory Reform.

The Bank of France and the French Financial Markets Authority (AMF), members of the Over-the-Counter (OTC) Derivatives Regulators' Forum, introduced stringent controls on OTC Derivatives.³²⁸ Such controls include the identification of investors and higher transparency rules that will apply to OTC derivatives and other derivatives traded off exchange. On 13 April 2010, French Minister of Finance Christine Lagarde introduced the establishment of a regulatory body that would deal with commodity markets.³²⁹

On 9 April 2010, the French Financial Markets Authority (AMF) released a statement proposing measures that would prevent insider misconduct by senior managers.³³⁰ The AMF stated that such measures, which stem from the legal and regulatory provisions, could be difficult to evaluate in regards to persons who might be considered "quasi-permanent insiders." In response, the AMF's board has assigned one of its members, Bernard Esambert, the task to address this issue by, "consulting with representatives of listed companies and financial institutions, as well as lawyers and members of industry groups and shareholder representative organisations with the aim to propose measures or recommend best practices for regulating directors' dealings more effectively."³³¹ The AMF anticipates that the findings will be published in early summer 2010 and subsequently released to public consultation.³³²

On 9 March 2010, Minister of Finance Christine Lagarde revealed the formation of the new Prudential Regulatory Authority (ACP). The regulatory body is introduced amidst a number of regulatory reforms

³²⁶ Zhou Xiaochuan: Development of China's inter-bank market // BIS Review. 28.11.2009. URL: <http://www.pdfqueen.com/html/aHR0cDovL3d3dy5iaXMub3JnL3Jldmldy9yMTAwMTIyYi5wZGY=> (date of access: 28.11.2009).

³²⁷ Backgrounder: Major innovations in improving China's capital market // The website of the Xinhua News Agency. 11.03.2010. URL: <http://www.toocle.com/china-business-news/detail--19621-2010-03-11-Backgrounder:-Major-innovations-in.html> (date of access: 11.03.2010).

³²⁸ Regulators plan tougher OTC derivative rules // The website of the Euromoney Institutional Investor (London) 25.02.2010. URL: <http://www.emii.com/Articles/2452285/Derivatives/Derivatives-Articles/Regulators-Plan-Tougher-OTC-Deriv-Rules.aspx>. (date of access: 16.04. 2010).

³²⁹ France calls for tighter commodity regulation // The website of the Bloomberg News (Paris) 13.04.2010. URL: <http://www.businessweek.com/news/2010-04-13/france-calls-for-tighter-commodity-regulation-european-cftc.html> (date of access: 16.04.2010).

³³⁰ AMF to propose measures to prevent insider misconduct by senior managers // The official website of the French Financial Markets Authority (Paris). 9.04.2010. URL: http://www.amf-france.org/documents/general/9361_1.pdf (date of access: 11.04.2010).

³³¹ AMF to propose measures to prevent insider misconduct by senior managers // The official website of the French Financial Markets Authority (Paris) 9.04.2010. URL: http://www.amf-france.org/documents/general/9361_1.pdf (date of access: 11.04.2010).

³³² AMF to propose measures to prevent insider misconduct by senior managers // The official website of the French Financial Markets Authority (Paris). 9.04.2010. URL: http://www.amf-france.org/documents/general/9361_1.pdf (date of access: 11.04.2010).

to strengthen financial supervision at the federal level. The ACP is essentially an amalgamation of four larger institutions including the Committee on Business Insurance (ECA) ordered on 22 January 2010.³³³ This new regulatory body will heighten prudential standards for France.

On 27 January 2010, President Sarkozy highlighted the importance of worldwide control on executive pay and accounting standards at the 40th World Economic Forum in Davos, Switzerland. President Sarkozy noted that banks should not engage in “proprietary speculation or financing speculative funds.”³³⁴

On 10 February 2010 the French parliamentary commission in the Senate passed a tax amendment regarding bank bonuses. The tax amendment is set to apply to all bank executives in an effort to address compensation structures.³³⁵ The French Government introduced a one-time 50 per cent tax on bonuses earlier in the year.³³⁶

France has addressed three of the four issues of this commitment: implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking, improving the over-the-counter derivatives market, creating more powerful tools to hold large global firms to account for the risks they take. Thus, France has been awarded a score of +1.

Analysts: Geneva Fong and Mark Rakhmangulov

Germany: +1

Germany has fully complied with its commitment on financial and regulatory reform.

The German Government is working on the draft bill for strengthening and improving the capital market operation. The bill introduces the requirements for entrepreneurs and other actors of the private sector to provide information on transactions to control authorities. According to the German Finance Minister Dr. Wolfgang Schäuble, the draft bill makes it possible to implement international regulations to protect financial markets and raise transparency. The draft has to be further discussed by the German Government in summer 2010.³³⁷

On 19 March 2010, the German Ambassador in the United Kingdom Georg Boomgaarden and Chief Minister of the British overseas territory Anguilla Hubert Hughes signed an agreement on information disclosure in taxation. This agreement uncovers information on financial transactions and allows German financial authorities to implement national tax regulations in more effective way. The agreement also enables the OECD standard of transparency and effective information exchange.³³⁸

On 24 March 2010, the German Government adopted a draft bill on reforming the banking law and regulation of the capital standards. The bill addresses such issues as more effective coordination between Germany and EU on financial affairs, cooperation between supervisory bodies; strengthening

³³³ Installation of the new Prudential Control Authority // The official website of the Ministry of Economy, Industry and Employment (Paris). 9.02.2010. URL: <http://www.economie.gouv.fr/actus/10/100309acp.html> (date of access: 18.04.2010).

³³⁴ Speech by President Nicolas Sarkozy at the 40th World Economic Forum // The official website of the Presidency of the French Republic (Paris) 27.01. 2010. URL: <http://www.elysee.fr/president/les-actualites/discours/2010/40eme-forum-economique-mondial.1641.html?search=mondial> (date of access: 18.04.2010).

³³⁵ French Senate moves to broaden bank tax // The official website of the Reuters US Edition (Paris). 10.02.2010. URL: <http://www.reuters.com/article/idUSLDE61916020100210> (date of access: 15.04.2010).

³³⁶ Meeting minutes with representatives of major French banks // The official website of the Presidency of the French Republic (Paris). 5.02.2010. URL: <http://www.elysee.fr/president/les-actualites/communiqués-de-presse/2010/mars/compte-rendu-de-la-reunion-avec-les-representants.8023.html> (date of access: 16.04.2010).

³³⁷ Bundesminister der Finanzen, Dr. Wolfgang Schäuble, plant Gesetzentwurf zur Stärkung des Anlegerschutzes und Verbesserung der Funktionsfähigkeit des Kapitalmarktes // the official web site of the Finance Ministry of the German Republic. 03.03.2010. URL: http://www.bundesfinanzministerium.de/nr_54090/DE/Presse/Pressemitteilungen/Finanzpolitik/2010/03/20100303_PM08.html (date of access: 30.05. 2010).

³³⁸ Informationsaustausch in Steuersachen auch mit Anguilla // the official web site of the Federal Finance Ministry. 19.03.2010. URL: http://www.bundesfinanzministerium.de/nr_54090/DE/Presse/Pressemitteilungen/Finanzpolitik/2010/03/20101903_PM12.html (date of access: 29.05. 2010).

accountability between buyers and sellers on risk level; protecting quality and safeguarding implementation of capital lending conditions.³³⁹

To implement the G20 Pittsburgh commitments on compliance with the FSB principles the German Government has adopted the set of regulations in order to introduce the G20 standards. At the national level the German Government has introduced the draft bill on requirements to improve the systems of control authorities and institutions, which is to be adopted in October 2010. The bill allows to introduce requirements in risk management of the institutions and control bodies and to raise the transparency of these bodies. The German Government also plans to control the implementation of the FSB regulations through this bill.³⁴⁰

On 31 March 2010 the German Government adopted a bill on regulation of the financial markets. The document is aimed to introduce new control instruments and restructure the banking system, strengthening financial responsibilities for breach of duties.³⁴¹ In future all banks will be required to pay into the Stability Fund. The cash will be used only to finance future restructuring and liquidation measures. "These provisions will be part of a whole package of measures taken at international level within the framework of the G20, at European level and at national level, so as to learn from the financial crisis and to prevent any future crises on this scale," Minister Schäuble declared.³⁴²

Germany has addressed three components of the commitment having raised capital standards, implemented strong international compensation standards aimed at ending practices that lead to excessive risk-taking, and created more powerful tools to hold firms to account for the risks they take. Thus, it has been awarded a score of +1.

Analyst: Yuriy Zaytsev

India: -1

India has failed to comply with its commitment on financial reform.

On 11 February 2010, The Reserve bank of India published the Draft Guidelines on the Standardized Approach for Calculating Operational Risk Capital Charge for comments and feedback.³⁴³ But there is no information of public reaction and adoption of this law.

On 12 November 2009, The Reserve Bank of India published the draft guidelines on Over-the counter Foreign Exchange Derivatives and Hedging Commodity Price Risk and Freight Risk overseas for public comments.³⁴⁴ But there is no information of public reaction and planning adoption of this law.

³³⁹ Weitere Bausteine für stabilen Finanzsektor: Kabinett beschließt nationale Umsetzung der EU Änderungsrichtlinien zur Banken- und Kapitaladäquanzrichtlinie // Bundesministerium der Finanzen. 24.03.2010. URL: http://www.bundesfinanzministerium.de/nr_54090/DE/Presse/Pressemitteilungen/Finanzpolitik/2010/03/20102403_PM13.html (date of access: 29.05. 2010).

³⁴⁰ Deutschland erfüllt die G20-Empfehlungen zur Verbesserung der Vergütungssysteme // the official website of the German Finance Ministry. 31.03.2010. URL: http://www.bundesfinanzministerium.de/nr_54090/DE/Presse/Pressemitteilungen/Finanzpolitik/2010/03/20103103_PM19.html (date of access: 30.05. 2010).

³⁴¹ Eckpunktepapier: Krisen vermeiden, Banken beteiligen // the official web site of the German Finance Ministry. 31.03.2010. URL: http://www.bundesfinanzministerium.de/nr_54/DE/Wirtschaft_und_Verwaltung/Geld_und_Kredit/20100331-Eckpunkte-Finanzmarktregulierung.html?_nnn=true (date of access: 30.05. 2010).

³⁴² Banks to make provision for future crises// the official web site of the German Government. 31.03.2010. URL: http://www.bundesregierung.de/nr_6562/Content/EN/Artikel/2010/04/2010-03-31-finanzmarktregulierung-eckpunkte_en.html (date of access: 30.05. 2010).

³⁴³ RBI Releases Draft Guidelines on The Standardised Approach for Calculating Operational Risk Capital Charge // The official website of The Reserve Bank of India. 11.02.2010. URL: http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=22067 (date of access: 13.02.2010).

³⁴⁴ RBI places the draft guidelines on Over the Counter (OTC) Foreign Exchange Derivatives and Hedging Commodity Price Risk and Freight Risk overseas for comments // The official website of The Reserve Bank of India. 12.11. 2009. URL: http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=21647 (date of access: 13.02.2010).

Though India has made some steps to implement its commitment, no definitive actions have been adopted to reduce international financial risks during the compliance cycle. Thus, it has been awarded a score of -1.

Analyst: Igor Churkin

Indonesia: -1

India has failed to comply with its commitment on financial reform.

According to the Financial Stability Board (FSB), Indonesia lags on implementing its recommendations on compensation.³⁴⁵

The measures taken by the Indonesian Government are not adequate to comply with the commitment, therefore Indonesia has been awarded a score of -1.

Analyst: Maria Tyurikova

Italy: 0

Italy has partially complied with the commitment to enforce regulatory and financial reforms.

On 6 October 2009, the recapitalization scheme for financial institutions was prolonged till 30 December 2009. The scheme provides the possibility to subscribe subordinated debt instruments, to be counted as bank "core tier 1 capital". The overall budget will be around EUR15-20 billion (USD22.2-29.6 billion). The scheme was initially approved on 23 December 2008, and amended on 22 February 2009 to provide capital to credit institutions. Only fundamentally sound banks as determined by their credit default swaps spread level, their ratings and the additional assessment to be made by the Bank of Italy will be eligible for the recapitalization. The Bank of Italy will regularly monitor how the funds will be put to use to sustain lending to the real economy.³⁴⁶

On 10 February 2010, the Treasury of the Italian Ministry of Economy and Finance published a circular letter regarding fiscal amnesty stipulated by the Decree №78 from 1 July 2009 in order to prevent money laundering. According to the letter banks should identify and check authenticity of client's personality and also request information about clients' activity, solvency, and intentions.³⁴⁷

On 29 October 2009, the Governor of the Bank of Italy Mario Draghi said that on 28 October 2009 further recommendations on compensation policy had been sent to all stakeholders. The major bank groups were required to come in line with the latest Financial Stability Board (FSB) standards and to plan by the end of the year eventual adjusting interventions.³⁴⁸

On 28 October 2009, the Minister Council approved the plan for the decree on legal reviewing of annual and consolidated accounts³⁴⁹, the decree for exercising some rights of companies' shareholders³⁵⁰, and decree on procedure rules and criteria for prudential evaluation for acquiring and

³⁴⁵ G20 sounds warning note over new bank rules // Reuters News. 31.08.2009. URL: <http://www.reuters.com/article/idUSTRE62T2J320100330> (date of access: 15.04.2010).

³⁴⁶ Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

³⁴⁷ Circolare sull'operativita' connessa con lo "scudo fiscale" di cui all'art. 13-bis del decreto legge 1 luglio 2009 n. 78, ai fini anti riciclaggio. // Ministry of Economy and Finance, Treasury Department. 10.02.2010. URL: <http://www.tesoro.it/documenti/open.asp?idd=22575> (date of access: 09.03.2010).

³⁴⁸ Giornata Mondiale del Risparmio del 2009, Intervento del Governatore della Banca d'Italia Mario Draghi // The Bank of Italy. 29.10.2009. URL: http://www.bancaditalia.it/interventi/integov/2009/acri_291009/Discorso_acri_281009.pdf (date of access: 29.04.2010).

³⁴⁹ Decreto legislativo: Attuazione della direttiva 2006/43/CE relative alla revisioni legali dei conti annuali e dei conti consolidate // The Italian Government. 22.01.2010. URL: <http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=54708> (date of access: 29.04.2010).

³⁵⁰ Decreto legislativo: Attuazione della direttiva 2007/36/CE relativa all'esercizio di alcuni diritti degli azionisti di società quotate // The Italian Government. 22.01.2010. URL: <http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=54713> (date of access: 29.04.2010).

increasing participation in financial sector³⁵¹,³⁵² On 22 January 2010, the above mentioned provisions were finally approved by the Minister Council.³⁵³

Consequently, for addressing two of the four issues of the commitment – raising capital standards and implementing strong international compensation standards – Italy is awarded a score of 0.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with its commitment on financial and regulatory reform.

Japan selected a primarily supervisory approach to implementation of financial and regulatory reform, which involves principles and guidance and the associated supervisory reviews. Scope of application was set at the level of major banking groups, insurance companies and investment firms, and internationally active financial institutions.³⁵⁴

On 9 March 2010, the Financial Services Agency (FSA, a Japanese government organization responsible for overseeing banking, securities and exchange, and insurance) submitted to the parliament a “Bill for amendment of the Financial Instruments and Exchange Act, etc.” The bill proposes a comprehensive set of measures to improve the OTC derivatives market, and strengthen regulation of securities and insurance companies. To strengthen group-wide regulation and supervision, the FSA suggests to (1) set capital adequacy requirements on a consolidated basis and make it obligatory for the companies to submit business reports on a consolidated basis (for large securities companies), (2) set a solvency margin standard on a consolidated basis for groups led by an insurance company or insurance holding company.³⁵⁵

On 29 March 2010, the Bank of Japan published “On-Site Examination Policy for Fiscal 2010”. The Bank carries out on-site examination by visiting the premises of financial institutions with the aim of checking financial institutions' risk management processes. This helps to keep large financial institutions (both Japanese and international ones) to account. In FY2010 the following important measures were outlined as priorities. In the area of capital strengthening, the Bank will check in particular whether the examined institution's capital is adequate as a buffer against potential losses and discuss the quality of capital as necessary. The Bank will encourage those financial institutions with a high level of market risk relative to capital strength to reduce risk and enhance their capital base.³⁵⁶

On 9 March 2010, the FSA submitted to the Diet a “Bill for amendment of the Financial Instruments and Exchange Act, etc.” The bill proposes a comprehensive set of measures to improve the OTC derivatives market, and strengthen regulation of securities and insurance companies. To improve the stability and transparency of OTC derivatives transactions, the FSA plans (1) to make it mandatory to use central counterparty (CCP) clearing for OTC credit derivatives, (2) develop an infrastructure for domestic CCPs and establish links with foreign CCPs, and (3) create a system for storage and reporting of trading information.³⁵⁷

³⁵¹ Decreto legislativo: Attuazione della direttiva 2007/44/CE // The Italian Government. 22.01.2010. URL: <http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=54714> (date of access: 29.04.2010).

³⁵² Consiglio dei Ministri n. 67 del 28/10/2009 // The official website of the Italian Government. 28.10.2009. URL: <http://www.governo.it/Governo/ConsiglioMinistri/dettaglio.asp?d=52120> (date of access: 29.04.2010).

³⁵³ Consiglio dei Ministri n. 79 del 22/01/2010 // The official website of the Italian Government. 22.01.2010. URL: http://www.governo.it/Governo/ConsiglioMinistri/dettaglio.asp?d=54694&pg=1%2C2010%2C4074%2C6554%2C8583%2C10711%2C11897&pg_c=1 (date of access: 30.04.2010).

³⁵⁴ Thematic Review on Compensation // The official website of the Financial Stability Board 30.02.2010. URL: http://www.financialstabilityboard.org/publications/r_100330a.pdf (date of access: 20.04.2010).

³⁵⁵ Outline of the bill for amendment of the Financial Instruments and Exchange Act, etc. // The official website of the Financial Services Agency 2.04.2010. URL: <http://www.fsa.go.jp/en/refer/diet/174/01.pdf> (date of access: 20.04.2010).

³⁵⁶ On-Site Examination Policy for Fiscal 2010 // The official website of the Bank of Japan 29.02.2010. URL: <http://www.boj.or.jp/en/type/release/teiki/kousa/kpolicy10.pdf> (date of access: 13.04.2010).

³⁵⁷ Outline of the bill for amendment of the Financial Instruments and Exchange Act, etc. // The official website of the Financial Services Agency 2.04.2010. URL: <http://www.fsa.go.jp/en/refer/diet/174/01.pdf> (date of access: 20.04.2010).

On 29 March 2010, the Bank of Japan published “On-Site Examination Policy for Fiscal 2010”. The Bank carries out on-site examination by visiting the premises of financial institutions with the aim of checking financial institutions' risk management processes. This helps to keep large financial institutions (both Japanese and international ones) on account. In FY2010 the following important measures were outlined as priorities. Bank will check in detail the quality of assets, capital strength, and liquidity of individual financial institutions. Bank will assess financial institutions' risk management frameworks from a forward-looking perspective (for internationally active financial institutions, their risk management on a global basis will be examined, and the Bank will, when necessary, exchange views with foreign authorities). Based on such assessment, the Bank will make suggestions for improvement.³⁵⁸

On 31 March 2010, an amended Cabinet Office Ordinance on Disclosure of Corporate Affairs became effective. It requires listed companies to disclose additional information concerning corporate governance, including structure of corporate governance, remuneration of directors and statutory auditors, cross-shareholding, voting results.³⁵⁹

Since Japan has addressed 3 out of 4 priority issues identified in the commitment: raising capital standards, creating more powerful tools to hold large global firms to account for the risks they take and improving the over-the-counter derivatives market, it is awarded a score of +1.

Analyst: Ekaterina Maslovskaya

Republic of Korea: +1

The Republic of Korea has fully complied with the commitment on financial reform.

On 15 March 2007, the Korean Financial Service Commission together with the Korean Accounting Standards Board officially announced Korea's roadmap to implement the International Financial Reporting Standards (IFRS).³⁶⁰ The roadmap included two phases. On 1 January 2009, all companies except financial institutions may have voluntarily implemented IFRS. On 1 January 2011, all listed companies & unlisted financial institutions in certain sectors are to use IFRS.³⁶¹

On 16 April 2010, David Tweedie, chairman of the International Accounting Standards Board, which developed the IFRS, said that Korea was doing “exceptionally well” preparing for the deadline. However, among large listed companies just 14 adopted the standards in 2009, and around 30 companies, including Samsung Electronics and LG Electronics, are expected to start in 2010.³⁶²

On 19 November 2009, Korea announced measures aimed at tightening control over foreign exchange liquidity to make the banking system less vulnerable. The Financial Services Commission announced the measures that would enhance the soundness of banks' foreign currency assets. Authorities appear to be looking at ways to avoid a repeat of the capital flight that occurred during the global financial crisis, partly triggered by worries about the ability of companies to roll over their foreign debt liabilities during the global credit crunch. One measure called on banks to hold at least 2 percent of their total foreign assets in foreign treasury bonds rated A or above, or set aside a certain amount of safe foreign assets, such as treasuries, in proportion to the value of liabilities maturing within a year.

³⁵⁸ On-Site Examination Policy for Fiscal 2010 // The official website of the Bank of Japan. 29.02.2010. URL: <http://www.boj.or.jp/en/type/release/teiki/kousa/kpolicy10.pdf> (date of access: 13.04.2010).

³⁵⁹ Disclosure Items concerning Corporate Governance // The official website of the Financial Services Agency 26.02.2010. URL: <http://www.fsa.go.jp/en/news/2010/20100326-1.html> (date of access: 13.04.2010).

³⁶⁰ IFRS in Korea // The official website of the PriceWaterHause, South Korea. 15.03.2007. URL: <http://www.pwc.com/kr/en/ifrs/ifrs-in-korea.jhtml> (date of access: 15.06.2010).

³⁶¹ IFRS Roadmap in Korea // The official website of the PriceWaterHause, South Korea. 15.03.2007. URL: <http://www.pwc.com/kr/en/ifrs/roadmap-in-korea.jhtml> (date of access: 15.06.2010).

³⁶² Don't panic - firms ready for IFRS // The website of the JoongAngDaily. 16.04.2010. URL: <http://joongangdaily.joins.com/article/view.asp?aid=2919262> (date of access: 15.06.2010).

The measure will not apply to foreign bank branches in the country. However, restrictions were placed on both local banks and foreign bank branches in trading foreign exchange in forward markets.³⁶³

On 19 November, the new regulations announced by the Financial Services Commission addressed the OTC derivative markets. The measures include crackdown on excessive risk taking and the adoption of new risk management standards.³⁶⁴

Thus, the Republic of Korea gets a score of +1 for fulfillment of three out of four parts of this commitment: improving the over-the-counter derivatives market, raising capital standards, creating more powerful tools to hold large global firms to account for the risks they take.

Analyst: Alexander Simonov

Mexico: 0

Mexico has partially complied with the commitment on financial reform.

On 7 December 2009, certain regulations to the Federal Tax Code were published in the Mexican Official Gazette. One of these regulations specified that an independent accountant who provides tax advisory services to a taxpayer/client for whom the independent accountant also issues the annual tax audit report would not be considered independent with respect to the latter report, thus imposing further restrictions to the public accountants in the rendering of non-audit services.³⁶⁵

According to report of the Financial Stability Board to G20 finance ministers and governors published on 19 April 2010, Mexico plans to develop bankruptcy procedure for banking institutions.³⁶⁶ Bankruptcy procedures specify responsibilities of bankrupted institutions and their following exit strategies that mitigate financial losses of all involved parties. Establishment of bankruptcy procedures might be considered as a step in rising capital standards.

On 13 November 2009, the Governor of the Bank of Mexico, G. Ortiz, said that some policy makers reduce the probability of a large bank failure in order to impose additional prudential requirements and oversight measures. He also added that policies should facilitate the orderly unwinding of large banks when they fail. These policies include the creation of conditions needed to facilitate a bank's unwinding if it becomes troubled.³⁶⁷

According to the Report of the Financial Stability Board to G20 Finance Ministers and Governors published 19 April 2010, Mexico is working on a new regulatory framework to improve the quality, transparency and integrity of the rating process and avoid conflicts of interest, while developing guidelines for rating structured products.³⁶⁸

³⁶³ S.Korea restricts trading in FX forwards // The website of the reuters. 19.11.2009. URL: <http://blogs.reuters.com/financial-regulatory-forum/2009/11/19/skorea-restricts-trading-in-fx-forwards/> (date of access: 15.06.2010).

³⁶⁴ Supervision of Financial Institutions FX Soundness Strengthened // The official website of Financial Services Commission. 19.11.2009 URL: <http://www.fsc.go.kr/downManager?bbsid=BBS0048&no=64126> (date of access: 15.06.2010).

³⁶⁵ Mexico: Business as usual for independent public accountants in Mexico // The official website of the International Tax Review. 25.02.2010 URL: <http://www.internationaltaxreview.com/?Page=10&PUBID=35&ISS=25564&SID=724404&TYPE=20> (date of access: 25.04.2010).

³⁶⁶ Progress since the ST Andrews meeting in Implementing the G20 Recommendations for Strengthening Financial Stability. Report of the Financial Stability Board to G20 Finance Ministers and Governors // The official website of the Financial Stability Board to G20 Finance Ministers and Governors. 19.04.2010 URL: http://www.financialstabilityboard.org/publications/r_100419.pdf (date of access: 21.04.2010).

³⁶⁷ Ortiz G. The global financial crisis – a Latin American perspective // The official website of the BIS Review 157/2009 13.11.2009 URL: <http://www.bis.org/review/r091207a.pdf> (date of access: 15.04.2010).

³⁶⁸ Progress since the ST Andrews meeting in Implementing the G20 Recommendations for Strengthening Financial Stability. Report of the Financial Stability Board to G20 Finance Ministers and Governors. // The official website of the

Mexico has implemented 2 of the 4 components of the commitment: creating more powerful tools to hold large global firms to account for the risks they take and raising capital standards. Thus, it's awarded a score of 0.

Analyst: Natalya Zlokazova

Russia: +1

Russia has fully complied with its commitment on commencing financial and regulatory reform.

On 9 November 2009, the Central Bank of Russia approved a revised framework for calculation of capital requirements for banks in accordance with Basel II Accord. New approach to credit risk evaluation (based on OECD Country Risk Classification, and varying with the currency of denomination) and allowance for operational risks were introduced to improve the quality and quantity of bank capital.³⁶⁹

On 25 November 2009, at the Russian Financial Forum the Minister of Finance of Russia Alexei Kudrin stated that he was planning to submit a bill on higher bank capital requirements by the end of 2010. The bill will oblige banks to increase capital up to at least RUB1 billion in five years. Mr. Kudrin noted that the minimum capital requirement will be raised when financial markets stabilize.³⁷⁰

On 5 October 2009, at the Annual meeting of the IMF and World Bank the Minister Kudrin stated that Russian banks were taking steps to reform compensation practices in accordance with Financial Stability Board recommendations. "I will definitely check if new compensation programs (particularly in state banks) meet these recommendations", he said.³⁷¹

On 29 January 2010, at the World Economic Forum in Davos Alexei Kudrin stated that the Government was planning to introduce new compensation rules for bank employees to support financial stability and sustainable development of the banking industry. "We will implement new compensation policies for senior executives of the banks to encourage long-term and sustainable activities, rather than making quick profits", he said.³⁷²

On 17 February 2010, President Dmitry Medvedev instructed Prime Minister Vladimir Putin to take measures to streamline compensation structures in banks and state companies in accordance with FSB recommendations and international best practices.³⁷³

On 13 November 2009, State Duma passed a Federal law amending the Federal Law "On securities market" in the part of regulation of derivatives market. It regulates settlement procedures, and specifies rights and obligations of the parties. It also introduces obligatory clearing procedures for derivative

Financial Stability Board to G20 Finance Ministers and Governors. 19.04.2010 URL:

http://www.financialstabilityboard.org/publications/r_100419.pdf (date of access: 21.04.2010).

³⁶⁹ Information on Bank of Russia regulation aimed at implementation of Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards. A Revised Framework" // The official website of the Central Bank of the Russian Federation 9.11.2009. URL:

http://cbr.ru/press/Archive_get_blob.asp?doc_id=091109_161630bazel.htm (date of access: 20.04.2010).

³⁷⁰ Within a year Kudrin will submit a bill on raising bank capital requirements up to RUB 1 billion in 5 years // The official website of the Ministry of Finance of the Russian Federation. 25.11. 2009. URL:

<http://www1.minfin.ru/ru/press/speech/index.php?pg4=5&id4=8796> (date of access: 13.03.2010).

³⁷¹ Alexey Kudrin press-conference statements at the Annual meeting of the IMF and World Bank // The official website of the Ministry of Finance of the Russian Federation 5.10.2009. URL:

<http://www1.minfin.ru/ru/press/speech/index.php?pg4=7&id4=8226> (date of access: 13.03.2010)

³⁷² Alexey Kudrin press-conference statements at the World Economic Forum in Davos The official website of the // The official website of the Ministry of Finance of the Russian Federation 29.01. 2010. URL:

<http://www1.minfin.ru/ru/press/speech/index.php?pg4=3&id4=9163> (date of access: 13.03.2010).

³⁷³ A list of instructions following the outcomes of the meeting of Presidential Council on Financial Market Development // The official website of the President of Russia 17.02.2010. URL: <http://news.kremlin.ru/news/6889> (date of access: 6.02.2010).

trading on organized securities exchanges, and requires obligations under OTC derivative contracts to be guaranteed by a third party (a credit organization, a broker, or a dealer).³⁷⁴

On 22 January 2010, State Duma passed a bill “On clearing and clearing services”. It sets a mechanism and regulation framework of clearing operations with commodities and financial instruments, including derivatives, on exchanges and OTC markets. It also defines capital and disclosure requirements for clearing organizations, and rules for clearing operations through central counterparty.³⁷⁵

On 16 March 2010, Deputy Finance Minister of Russia Alexei Savatyugin at the conference “Structural modernization of Russian financial system” stated that additional supervision of systematically important financial institutions would be introduced shortly to monitor systemic risks and financial stability.³⁷⁶

On 7 April 2010, the Ministry of Finance published a bill amending the Federal Law “On Banks and Banking Activities” and the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)”. The bill clarifies terms “a banking holding” and “a banking group”, and will align consolidated supervision in Russia with international practices. The bill is expected to raise the quality of risk management in banks, and make banking supervision more efficient due to timely identification of high-risk areas.³⁷⁷

Russia receives a score of +1, since it has taken measures to address all the priority issues: creating more powerful tools to hold large global firms to account for the risks they take, improving the over-the-counter derivatives market, raising capital standards, implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking.

Analyst: Ekaterina Maslovskaya

Saudi Arabia: -1

Saudi Arabia has failed to comply with the commitment on financial reform.

Saudi Arabian authorities are currently developing new codes and regulations to be applied in the banking sector in order to enhance its reliability and operational quality. These include Corporate governance code for banks, Powers and Responsibilities of the Board of Directors in Commercial Banks in Saudi Arabia and Qualifications and Requirements for Appointments to Senior Positions in Banks licensed in Saudi Arabia.³⁷⁸

Consequently for addressing only one out of the four issues of the commitment, raising capital standards, Saudi Arabia has been awarded a score of -1.

Analyst: Maria Datsik

South Africa: 0

South Africa has partially complied with the commitment on financial reform.

³⁷⁴ Federal Law No. 281-FZ “On Amending Part I and II of the Russian Tax Code and Certain Legislative Acts of the Russian Federation” dated 25.11. 2009 // The website of the Rossiiskaya Gazeta 30.11.2009. URL: <http://www.rg.ru/2009/11/30/nalog-dok.html> (date of access: 27.11. 2009).

³⁷⁵ State Duma passed in the first reading a bill “On clearing and clearing services” // The website of the Federal Financial Markets Service. 22.01. 2010. URL: http://www.fcsm.ru/document.asp?ob_no=232537 (date of access: 26.04.2010).

³⁷⁶ Alaxey Savatyugin press-conference statements at the conference “Structural modernization of Russian financial system” // The official website of the Ministry of Finance of the Russian Federation 16.02.2010. URL: <http://www1.minfin.ru/ru/press/speech/index.php?id4=9259> (date of access: 25.04.2010).

³⁷⁷ Bill for amendment of the Federal Law “On Banks and Banking Activities” and Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)” // The official website of the Ministry of Finance of the Russian Federation 7.04.2010. URL: http://www1.minfin.ru/common/img/uploaded/library/2010/04/projFZ_banki.zip (date of access: 25.04.2010).

³⁷⁸ Policy Brief on Improving Corporate Governance of Banks in the Middle East and North Africa // The official website of the Organisation for Economic Cooperation and Development. 01.11.2009. URL: <http://www.oecd.org/dataoecd/32/26/44372710.pdf> (date of access: 24.04.2010).

South Africa implemented Basel II with effect from 1 January 2008.³⁷⁹ As to other measures discouraging excessive leverage, South African banks ensure they do not need new rules, including setting aside more capital to increase reserves. Louis von Zeuner, deputy CEO of Absa, one of South Africa's largest financial services organisations, said in January, that South African banks “have an adequate regulatory environment” and banks themselves are “well governed and sound”.³⁸⁰

South African banking system has some unique features which should be taken into account, such as its banks' reliance on institutional funding rather than a bigger deposit base. Therefore the South African Reserve Bank is currently making efforts to reduce the risks in the financial system and help smooth the effect of economic cycles through a new policy framework. Under this framework the macroprudential instruments with a focus on limiting excess credit growth will be introduced.³⁸¹

In South Africa regulations or supervisory guidance on achieving a robust framework for ensuring compensation policies consistent with prudent risk taking are at the preparatory stage.³⁸²

Historically there was always a conservative approach to bankers' bonuses which have not been guaranteed and have been linked to the performance. The average annual bonus for top executives has been between 50 to 150% of salary.³⁸³

However, the financial crisis forced the South African banks to review pay and share incentives. Now they are boosting the proportion of compensation paid in stock following calls by regulators and politicians to align compensation with long-term risks.³⁸⁴

The value of over-the-counter derivatives in South Africa is 14 times gross domestic product.³⁸⁵ In August 2009 South African regulators intended to increase the regulation of the OTC derivatives markets as well as make them more transparent, though South Africa has not been affected much by OTC derivatives unlike the US and Europe. Since then no indication of progress in this direction has been registered.³⁸⁶

South Africa has not undertaken any measures to create more powerful tools to hold large global firms to account for the risks they take so far.

Strictly speaking, South Africa has taken action only on 2 of the matters enumerated in the commitment: raising capital standards and implementing strong international compensation standards aimed at ending practices that lead to excessive risk-taking. Thus, the score is 0.

Analyst: Tatyana Lanshina

Turkey: -1

Turkey has not complied with its commitment to enforce regulatory and financial reforms.

³⁷⁹ Press release by the Registrar of Banks on the Annual Report 2008 of the Bank Supervision Department. 2.07. 2009. URL: <http://www.reservebank.co.za/internet/publication.nsf/0/4D79B34533794396422575E60043A5E8?opendocument>. (date of access: 17.04.2010).

³⁸⁰ “We Don't Need New Rules” // The official website of the Times Live. 30.01.2010. URL: <http://www.timeslive.co.za/business/money/article283728.ece>. (date of access: 17.04.2010).

³⁸¹ South Africa: New Bank Policy Aims to Reduce Risk // The website of Business Day. 29.04.2010. URL: <http://allafrica.com/stories/201004290081.html> (date of access: 1.05.2010).

³⁸² Different approaches in G20 reform of bank compensation. Published in SUNS #6896. 1.04.2010. URL: <http://www.twinside.org.sg/title2/finance/2010/finance100401.htm>. (date of access: 18.04.2010).

³⁸³ Bankers' bonuses quietly cut in South Africa // The website of eFinancialCareers. 4.09.2009. URL: http://news.efinancialcareers.co.za/News_ITEM/newsItemId-21071. (date of access: 18.05. 2010).

³⁸⁴ Nedbank CEO Is South Africa's Best Paid Bank Chief // The website of the Bloomberg. 28.04.2010. URL: <http://www.bloomberg.com/apps/news?pid=20601116&sid=azWWUwyEzfl>. (date of access: 1.05. 2010).

³⁸⁵ Brazil's Cetip Registers \$67 Billion of Offshore Derivatives // The website of Business Week. 30.02.2010. URL: <http://www.businessweek.com/news/2010-03-30/brazil-s-cetip-registers-67-billion-of-offshore-derivatives.html>. (date of access: 1.04.2010).

³⁸⁶ South Africa Aims to Tighten OTC Regime // The website of Derivatives Week. 24 .08. 2009. URL: <http://www.derivativesweek.com/pdf/DW082409.pdf>. (date of access: 1.05. 2010).

On 14 April 2010, Addressing Capital Markets Summit organized by Active Academy in Istanbul Turkish State Minister Ali Babacan said, that Turkey made no headway in capital markets despite general recovery in many economic indicators, he also added that capital markets was an issue that was discussed widely in the world because of global crisis and followed by everybody to monitor the economic course. Babacan said the number of companies opened to public was few in Turkey and the number of Turkish citizens investing in Stock Exchange was limited, "this is something on which we should feel uneasy".³⁸⁷

During the compliance cycle Turkey has addressed none of the issues of this commitment. Thus it has been awarded a score of -1.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The UK, as one of the major financial centers plays active role in the reform of financial regulation and has made important steps towards improving capital standards, remuneration policies, derivatives markets and responsibility of global firms for the risks they take.

In the Financial Stability Report of Bank of England, published in December 2009, the UK position was declared that regulation could be strengthened through higher minimum capital requirements, appropriately defined mandatory maximum leverage ratios to complement risk-weighted capital requirements and requirement for banks to hold large buffers of reliably liquid assets.³⁸⁸ The UK Government supports the work by the Basel Committee to develop regulatory tools that will encourage banks to build counter-cyclical buffers of resources and to introduce a leverage ratio as a supplement to risk-weighted capital requirements.³⁸⁹ And on 8 March 2010, the Financial Services Secretary announced that the UK will introduce much more stringent capital and liquidity requirements.³⁹⁰

The practical steps include the adoption of the final rules on the liquidity requirements for firms in October 2009. The qualitative aspects of the regime were put into place in December 2009.³⁹¹ However, the FSA believes that it would be premature to increase quantitative standards across the industry at the current time given that all firms were experiencing a market-wide stress. The FSA committed to review this position later on in the year.³⁹²

On 26 November 2009, Sir David Walker's review of the corporate governance of financial firms was published. The report was commissioned by the Government to explore failures of corporate governance and management of banks and suggests a series of reforms including increasing transparency of pay and bonus policies.³⁹³ Financial Services Secretary to the Treasury, Paul Myners announced that the Government will move quickly to implement the reforms of bank pay and governance proposed in the report.³⁹⁴ On January 2010, the FSA Rule and supporting Code on

³⁸⁷ Babacan Says Turkey Made No Progress In Capital Markets // The website of the Journal of Turkish Weekly. URL: <http://www.turkishweekly.net/news/101196/babacan-says-turkey-made-no-progress-in-capital-markets.html> (date of access: 14.04.2010).

³⁸⁸ Financial Stability Report Summary // The official website of Bank of England. 12.2009. URL: <http://www.bankofengland.co.uk/publications/fsr/2009/fsrsum0912.pdf> (date of access: 23.03.2010).

³⁸⁹ Risk, reward and responsibility: The financial sector and society // The official website of HM treasury. 12.2009. URL: http://www.hm-treasury.gov.uk/d/fin_finsectorandsociety.pdf (date of access: 23.03.2010).

³⁹⁰ Smith Institute, Speech by The Financial Services Secretary // The official website of, HM Treasury. 08.01.2010. URL: http://www.hm-treasury.gov.uk/speech_fsst_080310.htm (date of access: 23.03.2010).

³⁹¹ FSA finalises far-reaching overhaul of UK liquidity regulation // The official website of Financial Services Authority. 05.10.2009. URL: <http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/132.shtml> (date of access: 23.03.2010).

³⁹² Liquidity Calibration statement // The official website of Financial Services Authority. 08.03.2010. URL: <http://www.fsa.gov.uk/pages/Library/Communication/Statements/2010/liquidity.shtml> (date of access: 23.03.2010).

³⁹³ Government to implement Walker reforms on pay and governance // The official website of HM Treasury. 26.11.2009. URL: http://www.hm-treasury.gov.uk/press_113_09.htm (date of access: 23.03.2010).

³⁹⁴ A review of corporate governance in UK banks and other financial industry entities // The official website of HM Treasury. 26.11.2009. URL: http://www.hm-treasury.gov.uk/d/walker_review_261109.pdf (date of access: 23.03.2010).

remuneration practices came into force which is in line with the G20 agreement, setting global standards for the implementation of the FSB's remuneration principles.^{396 397} The Financial Services Act 2010, which received Royal Assent on 8 April 2010, inter alia gave the FSA the power to specify that remuneration agreements in breach of its remuneration rules are void.³⁹⁸

In December 2009, the FSA and the Treasury published the paper 'Reforming OTC Derivative Markets' which set the required steps in improving derivatives market and defined the framework of the future reforms. The regulators do not see at this stage the need for mandating the trading of standardised derivatives on organized trading platforms, because objectives of reducing counterparty risk and improving transparency can be achieved by other means. Therefore, the paper proposes, inter alia, greater standardisation of OTC derivatives contracts, capital charges to reflect appropriately the risks posed to the financial system (higher for non-centrally cleared trades), registration of all relevant OTC derivative trades in a trade repository etc.³⁹⁹ On 1 February 2010, FSA chairman Lord Turner and chief executive Hector Sants discussed with US SEC chairman Mary Schapiro market infrastructure, particularly relating to central counterparties for OTC derivatives.⁴⁰⁰

On 16 December 2009, the Treasury has published proposals to strengthen the UK's ability to deal with any future failure of an investment bank.⁴⁰¹ The Financial Services Act 2010, which received Royal Assent on 8 April 2010, provide the FSA with new duty to make rules requiring certain firms to prepare Recovery and Resolution plans ('living wills').⁴⁰² The further proposals of the Treasury include a systemic risk levy raised from banks and other systemically important firms to meet the costs of covering systemic crises and restoring financial stability.⁴⁰³

The UK receives a score of +1, since it has taken measures to address all the priority issues.

Analyst: Natalya Churkina

USA: 0

The USA has partially complied with the commitment to enforce regulatory and financial reforms.

United States have not yet adopted Basel II. However it is pushing Basel III – a revision to Basel II with more strict requirements.⁴⁰⁴ Raising capital standards is still discussed. Currently the banks are required to set aside 10 percent of their assets. On 7 May 2010 former Federal Reserve Chairman Alan Greenspan said bank equity capital should rise up to 14% of assets.⁴⁰⁵

³⁹⁵ Risk, reward and responsibility: The financial sector and society // The official website of HM treasury. 12.2009. URL: http://www.hm-treasury.gov.uk/d/fin_finsectorandsociety.pdf (date of access: 23.03.2010).

³⁹⁶ British banks to lead the way on G20 bonus reforms // The official website of the HM Treasury. 30.09.2009. URL: http://www.hm-treasury.gov.uk/press_86_09.htm (date of access: 23.03.2010).

³⁹⁷ City of London banks agree to support G20 bonus reforms // The official website of, HM Treasury. 14.10.2009. URL: http://www.hm-treasury.gov.uk/press_92_09.htm (date of access: 23.03.2010).

³⁹⁸ Royal Assent for Financial Services Act 2010 // The official website of Financial Services Authority. 08.04.2010. URL: <http://www.fsa.gov.uk/pages/Library/Communication/Statements/2010/act2010.shtml> (date of access: 23.04.2010).

³⁹⁹ Reforming OTC Derivative Markets: A UK perspective // The official website of Financial Services Authority. 12.2009. URL: http://www.fsa.gov.uk/pubs/other/reform_otc_derivatives.pdf (date of access: 23.03.2010).

⁴⁰⁰ SEC and UK FSA Hold Fifth Meeting of the SEC-FSA Strategic Dialogue // The official website of Financial Services Authority . 01.02.2010. URL: <http://www.fsa.gov.uk/pages/Library/Communication/PR/2010/021.shtml> (date of access: 23.03.2010).

⁴⁰¹ Treasury sets out plans to manage investment bank failures // The official website of HM Treasury. 16.12.2009. URL: http://www.hm-treasury.gov.uk/press_121_09.htm (date of access: 23.03.2010).

⁴⁰² Financial Services Act 2010 // The official website of Financial Services Authority. 08.04.2010. URL: http://www.fsa.gov.uk/Pages/About/Who/Accountability/fsact_2010/index.shtml (date of access: 23.04.2010).

⁴⁰³ Risk, reward and responsibility: The financial sector and society // The official website of HM Treasury. 12.2009. URL: http://www.hm-treasury.gov.uk/d/fin_finsectorandsociety.pdf (date of access: 23.03.2010).

⁴⁰⁴ The Search for Basel III Loopholes Begins // The official website of the Ethiopian Review 12.04.2010. URL: <http://www.ethiopianreview.com/news/63879>. (date of access: 4.05. 2010).

⁴⁰⁵ Greenspan: Higher Bank Capital Levels Needed To Offset Investment Risk // The website of Nasdaq 7.05.2010. URL: <http://www.nasdaq.com/aspx/stock-market-news->

On 6 May USA Treasury Secretary Timothy F. Geithner rejected calls to separate banks from risk-taking activities, saying it couldn't prevent future financial crises.⁴⁰⁶

Bonuses in U.S. investment banks were going to be the highest. However at least seven of the biggest global investment banks reduced the pay they prepared for their employees in 2009 relative to revenue, according to their financial results.⁴⁰⁷ Later U.S. President Barak Obama also said executives' compensation should be reviewed.⁴⁰⁸ Though none of the bankers returned bonuses.

On 18 March 2010 Commodity Futures Trading Commission Chairman Gary Gensler said the USA is determined to press ahead with reforms to the OTC derivatives market, which should be implemented during 2011.⁴⁰⁹ Central clearing of credit default swaps traded in the US has already started.⁴¹⁰ Banks are required to post more collateral if they trade OTC contracts through centralised clearers.⁴¹¹

Under the bill, which was approved by the House of Representatives in December 2009, all standardized swap transactions between dealers will be cleared and traded on an exchange or electronic platform.⁴¹² The bill drew a "no" vote from every Republican member. Even if the reforms do go through Congress, it will take 6-12 month to prepare the rules by the SEC and CFTC, so the changes are not expected to be implemented earlier than 2011.

The USA have addressed 2 out of 4 matters required: raising capital standards, improving the over-the-counter derivatives market. Thus, it gets a score of 0.

Analyst: Tatyana Lanshina

European Union: +1

The EU has fully complied with its commitment on commencing financial and regulatory reform.

The Council underlined that structural reforms that carry low costs and low risks of inducing adverse short-term economic effects at the current juncture (e.g. on fiscal frameworks, on the quality of public finances, on pensions and other entitlements, competition enhancing policies and initiatives to reduce undue administrative burdens) should be launched without delay. In addition, other structural reforms, for example in the labour market, will have to be considered⁴¹³.

story.aspx?storyid=201005071359dowjonesdjonline000616&title=greenspan-higher-bank-capital-levels-needed-to-offset-investment-risk. (date of access: 7.05. 2010).

⁴⁰⁶ Geithner Says U.S. Shouldn't Separate Banks From Risk // The website of the Businessweek. 06.05. 2010. URL: <http://www.businessweek.com/news/2010-05-06/geithner-says-u-s-shouldn-t-separate-banks-from-risk-update2-.html>. (date of access: 06.05.2010).

⁴⁰⁷ Investment Banks Cut Compensation Ratios // The website of The Wall Street Journal. 01.02.2010. URL: <http://online.wsj.com/article/SB10001424052748703740704575095691105391442.html>. (date of access: 07.05. 2010).

⁴⁰⁸ US Bonuses to be Reviewed // The website of The Straits Times. 23.02.2010. http://www.straitstimes.com/BreakingNews/Money/Story/STIStory_505382.html. (date of access: 07.05. 2010).

⁴⁰⁹ 2nd UPDATE: CFTC Gensler: Determined To Reform OTC Market // The official website of the Wall Street Journal 18.02.2010. URL: http://online.wsj.com/article/BT-CO-20100318-716319.html?mod=WSJ_latestheadlines. (date of access: 21.02.2010).

⁴¹⁰ G20 Progress on Financial Regulation // The official website of the Economic Times 23.04.2010. URL: <http://economictimes.indiatimes.com/News/International-Business/G20-progress-on-financial-regulation/articleshow/5848824.cms?curpg=3>. (date of access: 03.05. 2010).

⁴¹¹ US Banks Face USD200 billion Collateral Gap for OTC Derivatives // The official website of the Financial News 15.04.2010. URL: <http://www.efinancialnews.com/story/15-04-2010/banks-undercollateralised-research>. (date of access: 07.05. 2010).

⁴¹² The Wall Street Reform and Consumer Protection Act // The official website of the House Committee on Financial Services. 11.12. 2009. URL: http://financialservices.house.gov/Key_Issues/Financial_Regulatory_Reform/FinancialRegulatoryReform/4173summary120809.pdf. (date of access: 21.02.2010).

⁴¹³ Council conclusions on Europe 2020. 3003rd Economic and Financial Affairs Council meeting. Brussels, 16.02.2010 // URL: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/113395.pdf (date of access: 03.05.2010).

On 20 October 2009, the Commission adopted a second Communication⁴¹⁴ that sets out the future policy actions the Commission intends to propose to increase transparency of the derivatives market, reduce counterparty and operational risk in trading and enhance market integrity and oversight.⁴¹⁵ The Council invited the Commission to conduct comprehensive impact assessments and reflect the principle of higher capital requirements for bilateral OTC contracts, as agreed at G20 level in Pittsburgh, in future amendments to the Capital Requirements Directive (CRD). The Commission should take into account the technical solutions being developed under the aegis of the Basel Committee.⁴¹⁶

The Council considered that European regulators and Central banks should have unfettered access to complete global information. In the absence of such access to information in repositories located in third countries, the Council would encourage the creation and operation of European-based trade repositories.⁴¹⁷

The Council therefore invited the Commission to conduct an assessment of the main structural reform challenges and existing bottlenecks facing Member States and report back in May in accordance with the timeline set out by the Europe 2020 strategy.⁴¹⁸ The Europe 2020 strategy adopted by the Council (Ecofin) on 16 March 2010, defined five headline targets for the EU to be achieved by 2020, and to translate these into national targets⁴¹⁹. A crucial priority in the short term is a solid, stable and healthy financial sector that requires the full and timely implementation of the G20 commitments, in particular: implementing the agreed reforms of the supervision of the financial sector; filling the regulatory gaps, promoting transparency, stability and accountability notably as regards derivatives and market infrastructure; completing the strengthening of prudential, accounting and consumer protection rules in the form a single European rule-book covering all financial actors and markets in an appropriate way; strengthening the governance of financial institutions, in order to address the weaknesses in the area of risk identification and management.⁴²⁰

Thus, for adhering to the G20 commitments as priorities in the reform of financial sector in Europe 2020, the EU gets the mark +1.

⁴¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Central Bank: Ensuring efficient, safe and sound derivatives markets: Future policy actions. Brussels, 20.10.2009, COM(2009) 563 final URL: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0563:FIN:EN:PDF> (date of access: 03.05.2010).

⁴¹⁵ European Commission. European Financial Integration Report 2009. Brussels // The official website of the European Commission. 11.12.2009, SEC(2009) 1702 final // URL: <http://register.consilium.europa.eu/pdf/en/09/st17/st17576.en09.pdf> (date of access: 03.05.2010).

⁴¹⁶ Press Release. 2981st Council meeting, Economic and Financial Affairs. 16838/09 (Presse 352). Brussels // The official website of the European Commission. 02.12. 2009 // URL: <http://register.consilium.europa.eu/pdf/en/09/st16/st16838.en09.pdf> (date of access: 03.05.2010).

⁴¹⁷ Press Release. 2981st Council meeting, Economic and Financial Affairs. 16838/09 (Presse 352). Brussels // The official website of the European Commission. 2.12. 2009 // URL: <http://register.consilium.europa.eu/pdf/en/09/st16/st16838.en09.pdf> (date of access: 3.05.2010).

⁴¹⁸ Council conclusions on exit strategies for crisis-related measures in labour and product markets. 3003rd Economic and Financial Affairs Council meeting. Brussels // The official website of the European Commission 16.02.2010 // http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ecofin/113391.pdf (date of access: 3.05.2010).

⁴¹⁹ Council Conclusions on Europe 2020 as adopted by the Council (Ecofin) on 16.02.2010. Brussels // The official website of the European Commission 16.02.2010 7586/10 URL: <http://register.consilium.europa.eu/pdf/en/10/st07/st07586.en10.pdf> (date of access: 3.05.2010).

⁴²⁰ Communication from the Commission. Europe 2020: A European strategy for smart, sustainable and inclusive growth. Brussels, 3.3.2010 COM(2010) 2020 final // The official website of the European Commission. URL: <http://register.consilium.europa.eu/pdf/en/10/st07/st07110.en10.pdf> (date of access: 3.05.2010).

4. Fight against Protectionism

111 - We will keep markets open and free and reaffirm the commitments made in Washington and London: to refrain from raising barriers or imposing new barriers to investment or to trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports and commit to rectify such measures as they arise.

G20 Leaders' Statement: The Pittsburgh Summit

Background

Acknowledging both the temptations and risks posed by protectionism in times of economic crisis, the leaders at the Washington G20 Summit in November 2008 pledged to “refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measure to stimulate exports” within the coming year.⁴²¹

In April 2009, a G20 Summit in London once again recognized that “Reinvigorating world trade and investment is essential for restoring global growth.” To that end, G20 members “...[reaffirmed] the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organisation (WTO) inconsistent measures to stimulate exports”.⁴²²

Since the beginning of the General Agreement on Tariffs and Trade (GATT) rounds, and especially since the formation of the WTO, G8 and G20 members have made significant progress in reducing barriers to global trade in goods and services as well as other trade-distorting mechanisms. However, state leaders have historically tended to resort to protectionism in times of economic uncertainty.⁴²³ Commitments both at the Washington G20 Summit and the London G20 Summit were made with this clearly in mind. As the G20 Summit in London noted, “Falling demand is exacerbated by growing protectionist pressures and a withdrawal of trade credit.... We will not repeat the historic mistakes of protectionism of previous eras.”⁴²⁴

Commitment Features

There are three components to this commitment:

- member states commit to refraining from new barriers to investment or to trade in goods and services;
- member states commit to refrain from imposing new export restrictions;
- member states commit to refrain from implementing World Trade Organizations (WTO) inconsistent measures to stimulate exports.

The first two parts of the commitment don't mention the WTO explicitly. However it does not imply that these two are unrelated to the WTO norms. Even if the three are treated as separate bits, there is a need to adopt a measure of compliance assessment, so that there is across countries consistency. WTO consistency principle is adopted in the monitoring, as there is no better normative standard than WTO provision on international trade, and as any action by the G20 members under the first two components can not considered in breach of the commitment. Assessing the third bit requires the WTO consistency. Thus a cross components consistency measure is attempted.

⁴²¹ Declaration: Summit on Financial Markets and the World Economy // The official website of the G20 Summit (Washington) 15.11. 2008. (date of access: 1.11. 2009. URL: http://www.g20.org/Documents/g20_summit_declaration.pdf

⁴²² The Global Plan for Recovery and Reform, G20 Summit (London) 2.04.2009. URL: <http://www.g20.org/Documents/final-communique.pdf> (date of access: 2.11. 2009).

⁴²³ G20 governments refrain from extensive use of restrictive measures, but some slippage evident // The official website of the World Trade Organization (Geneva) 14.09.2009. URL:

http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm (date of access: 1.11. 2009).

⁴²⁴ “The Global Plan for Recovery and Reform” // The official website of G20 Summit (London) 2.04.2009. URL: <http://www.g20.org/Documents/final-communique.pdf> (date of access: 1.11. 2009).

The WTO Agreement on Subsidies and Countervailing Measures⁴²⁵ 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. States that feel that such measures have been taken by another state can lodge a complaint with the WTO Disputes Settlement Body, which then adjudicates if the measure was inconsistent with WTO rules.⁴²⁶ By making such a commitment, G8 members have committed to refrain from such behaviour.

G20 leaders committed to rectify protectionist measures as they arise. If a country takes protectionist measure within the monitoring period, but then rectifies it, this measure doesn't constitute incompliance. If a country rectifies the measures taken before Pittsburgh summit it should be registered in the report and interpreted as refraining from implementation of new protectionist measures, thus it constitutes compliance. Two possible cases can be envisaged:

- Temporary protectionist measure with an expiration date within the monitoring period is not renewed;
- Protectionist measure with an expiration date beyond the monitoring period or without a definite expiration date is canceled.

The reviews also include the measures which can not be assessed definitively at this stage, but can be evaluated eventually, the reports finally a wrap up on the measures which are clearly non compliant, if any. The final assessment and a score wrap up the monitoring results. If an analyst has doubts, they are made explicit for further consultations with the analysts and the stakeholders.

Useful links

The WTO agreements provisions have been used for guidance in analysis - http://www.wto.org/english/docs_e/legal_e/legal_e.htm

Report to the TPRB from the Director-General on the financial and economic crisis and trade-related developments 26 March 2009 - http://www.wto.org/english/news_e/news09_e/trdev_dg_report_14apr09_e.doc

Report to the TPRB from the Director-General on the financial and economic crisis and trade-related developments 23 January 2009 - <http://www.tradeobservatory.org/library.cfm?refid=105042>

Report on G20 Trade and Investment Measures 14 September 2009 - http://www.wto.org/english/news_e/news09_e/trdev_dg_report_14sep09_e.doc

Overview of Developments in the International Trading Environment 18 November 2009 - http://www.wto.org/english/news_e/news09_e/wt_tpr_ov_12_a_e.doc

Scoring

-1	Member state takes the following actions: (1) raises new barriers to investment or trade (including the adoption of new export restrictions) AND (2) stimulates exports through measures that violate relevant WTO rules and agreements.
0	Member state takes ONE of the following actions: (1) raises new barriers to investment or trade (including the adoption of new export restrictions) OR (2) stimulates exports through measures that violate relevant WTO rules and agreements.

⁴²⁵ Agreement on Subsidies and Countervailing Measures // The official website of the WTO. URL: http://www.wto.org/english/docs_e/legal_e/24-scm_01_e.htm (date of access: 15.06. 2010).

⁴²⁶ Understanding the WTO - Anti-dumping, subsidies, safeguards: contingencies, etc (Geneva) // The official website of the WTO. 1.01. 2005. URL: http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm#subsidies (date of access: 15.06. 2010).

+1	Member state does NOT take the following actions: (1) raise new barriers to investment or trade (including the adoption of new export restrictions) AND (2) stimulate exports through measures that violate relevant WTO rules and agreements.
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Assessment:

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina		0	
Australia		0	
Brazil	-1		
Canada		0	
China		0	
France		0	
Germany		0	
India		0	
Indonesia	-1		
Italy			+1
Japan	-1		
Republic of Korea			+1
Mexico		0	
Russian Federation			-1
Saudi Arabia		0	
South Africa			+1
Turkey			+1
UK			+1
USA		0	
EU			+1
Compliance Average	0.1		

Country compliance:

Argentina: 0

Argentina has partially complied with the commitment to fight protectionism in international trade.

According to the “Fifth report on potentially trade restrictive measures in the context of the global economic crisis” issued by Trade European Commission in November 2009, Argentina was ranked second in the number of new potentially trade restrictive measures introduced over the period of October 2008 – October 2009.⁴²⁷ The total number of new potentially trade restrictive measures

⁴²⁷ Proteccionismo argentino afecta relaciones comerciales, Puentes Quincenal // The official website of the International Centre for Trade and Sustainable Development (ICTSD). 17.11. 2009. URL: <http://ictsd.org/i/news/puentesquincenal/60182/> (date of access: 15.06. 2010).

reached 35 in Argentina, out of which 8 were introduced in September-October 2009. In terms of the sectoral coverage, textiles and clothing (11), steel and other metals (6), automobiles (6) and toys (1) were among the most affected.⁴²⁸ By March 2010, the number of potentially trade restrictive measures amounted to 44.⁴²⁹

Regarding the types of protectionist measures, Argentina focused on tariff increases, import licences and reference prices. Besides, delays in granting licenses for imports and the long protraction of processing necessary documents have become common and often take more than 30-60 days.⁴³⁰ Brazil reported the delay of 150 days with the maximum limit of 60 days to obtain non-automatic licences in Argentina.⁴³¹ Interestingly, in order to avoid protectionist measures imposed by Argentina, especially long delays in obtaining licenses to get into the country, many Brazilian companies engaged in FDI and established their subsidiaries in Argentina⁴³².

In April 2010, Chinese Vice Minister of Commerce Jiang Yaoping accused Argentina of protectionism and discrimination of Chinese goods. According to the Minister, the number of antidumping negotiations initiated by Argentina against China was increasing by 100% annually from 2007 to 2009, representing 64% of all equal measures taken by the Latin American countries in 2009 and causing an adverse affect on bilateral trade of up to USD247 million. Furthermore, J. Yaoping stressed that despite of the concern voiced by China two more antidumping negotiations were initiated in the first 90 days of 2010.⁴³³ The Minister emphasized that Argentina failed to treat China as a market economy and turned to other countries' prices as reference.⁴³⁴

There were no facts registered regarding the WTO inconsistent measures of stimulating exports.

Argentina has imposed a number of new barriers to trade and no facts registered regarding the WTO inconsistent measures of stimulating exports. Thus it is awarded a score of 0.

Analyst: Polina Arkhipova

Australia: 0

Australia has not fully comply with the commitment to keep markets open and free and reaffirm the commitments made in Washington and London: to refrain from raising barriers or imposing new barriers to investment or to trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports and commit to rectify such measures as they arise.

Australian government implemented measures in the direction of home market protection in particular in the beef market. The new import conditions will require exporting countries to prove they have acceptable controls in place, even if a particular country has not reported BSE, and demonstrate that

⁴²⁸ Fifth report on potentially trade restrictive measures in the context of the global economic crisis // The official website of the Trade European Commission. 11. 2009. URL:

http://trade.ec.europa.eu/doclib/docs/2009/november/tradoc_145270.pdf (date of access: 15.06. 2010).

⁴²⁹ Crisis y proteccionismo de rescate: algunas tendencias, Puentes Quincenal, Volume 11, Number 1 // The official website of the International Centre for Trade and Sustainable Development (ICTSD). 02.2010. URL:

<http://ictsd.org/i/news/puentes/73442/> (date of access: 15.06. 2010).

⁴³⁰ Fifth report on potentially trade restrictive measures in the context of the global economic crisis // The official website of the Trade European Commission. 11.2009. URL:

http://trade.ec.europa.eu/doclib/docs/2009/november/tradoc_145270.pdf (date of access: 15.06. 2010).

⁴³¹ Argentina, segunda en ranking mundial de proteccionismo //The official website of Portada Los Andes. 7.11. 2009. URL: <http://www.losandes.com.ar/notas/2009/11/7/economia-455597.asp> (date of access: 15.06. 2010).

⁴³² Por proteccionismo Argentina atrae inversiones // The official website of portada MDZ. 24.02.2010. URL: <http://www.mdzol.com/mdz/nota/192572-Por-proteccionismo-Argentina-atrae-inversiones/> (date of access: 15.06. 2010).

⁴³³ China crítica a Argentina por proteccionismo // News.cn. 22.04.2010. URL:

<http://spanish.peopledaily.com.cn/31621/6959008.html> (date of access: 15.06. 2010).

⁴³⁴ Conflicto sojero: China acusa amenaza a Argentina con represalias comerciales // The official website of Fortuna. 22.04.2010. URL: <http://fortunaweb.com.ar/china-tilda-de-proteccionista-a-argentina-y-amenaza-con-represalias/> (date of access: 15.06. 2010).

those controls are implemented and monitored.⁴³⁵ However, this measure does not contradict to the WTO regulation, because Australia would use scientific methods and those of the World Organization for Animal Health (OIE).⁴³⁶

On 1 March, 2010 the changes in the imported food policy settings regarding bovine spongiform encephalopathy (BSE) for beef and beef products came into effect.

Australia has imposed certain barriers to trade, thus it is awarded a score of 0.

Analyst: Dina Padalkina

Brazil: -1

Brazil has failed to comply with its commitment to refrain from raising new barriers to investment or trade (including the adoption of new export restrictions) and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 19 October 2009, Brazil imposed a 2 percent levy on short-term portfolio investments by non-residents in local fixed income instruments and stocks. The levy seeks, according to the Ministry of Finance, to prevent strong capital inflows that could lead to asset price bubbles and to ease upward pressure on the Real.

A 1.5 percent levy was imposed on the creation of depositary receipts by companies or investors converting local shares from 19 November 2009 on. According to the Ministry of Finance, the levy seeks to alleviate distortions caused by the abovementioned 2 percent levy on short-term portfolio investments⁴³⁷.

On 8 March 2010 Brazilian Finance Minister G. Mantega said that Brazil is preparing a package of incentives to promote exports which suffered significantly in 2009 because of the global slowdown (21.8% contraction compared to 2008). The measures basically would extend fiscal benefits to the export companies and for this the concept of “exporter” has been redefined. Currently for a company to be considered ‘exporter’ and thus have access to benefits, it must sell overseas at least 60% of its production. This requirement will be lowered to 40% thus helping to include more companies in the benefits.⁴³⁸

Brazil raised new barriers to investment and prepares measures to support exporters. Thus it gets a score of -1.

Analyst: Polina Cherepova

Canada: 0

Canada has partially complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

⁴³⁵ Joint Media Release with Minister for Agriculture, Fisheries and Forestry Tony Burke, Minister for Health Nicola Roxon and Parliamentary secretary for Health Mark Butler // The official website of the Australian Minister for Trade. 20.10.2009 URL: http://www.trademinister.gov.au/releases/2009/sc_091020.html (date of access: 14.03.2010)

⁴³⁶ Australia’s new import requirements for beef. // The official website of the WTO. 9.03.2010 URL: http://www.wto.org/english/news_e/news10_e/sps_17mar10_e.htm (date of access: 19.03.2010)

⁴³⁷ Freedom of Investment Process. Inventory of investment measures taken between 1.09.2009 and 14.02.2010 // The official website of the OECD. 26.03.2010. URL: <http://www.oecd.org/dataoecd/6/58/44938778.pdf> (date of access: 1.04.2010).

⁴³⁸ Brazil cutting liquidity but preparing plan to promote exports // The official website of Mercopress. 8.03.2010. URL: <http://en.mercopress.com/2010/03/08/brazil-cutting-liquidity-but-preparing-plan-to-promote-exports> (date of access: 13.03.2010).

On 8 October, Bill C-32, An Act to amend the Tobacco Act received royal assent, becoming statute C.27.⁴³⁹ This law prohibits the import, sale, and advertising of flavoured tobacco products. However, Canadian tobacco producers do not use flavouring in the manufacturing process, while foreign producers, such as those from the United States, do flavour their tobacco products.⁴⁴⁰ This measure effectively bans the import of several varieties of tobacco into Canada on the basis of health standards that might be deemed non-tariff barriers by the WTO, which was not formally consulted in the drafting of the bill.⁴⁴¹

On 24 November 2009 the Canadian International Trade Tribunal confirmed that the dumping of mattress innerspring units from China had caused injury to the domestic industry and imposed antidumping duties on these goods.⁴⁴²

On 23 March 2010 the Canadian International Trade Tribunal confirmed that the dumping and subsidizing of oil country tubular goods from China had caused injury to the domestic industry and imposed antidumping and countervailing duties on these goods.⁴⁴³

Thus Canada has been awarded a score of 0 for raising new barriers to trade in goods.

Analyst: Lutwik Antoniuk and Vitaly Nagornov

China: 0

China has partially complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 27 September 2009, China initiated anti-dumping investigation on imports of broiler chicken products from the United States.⁴⁴⁴

On 23 October 2009, China initiated anti-dumping investigation on imports of X-Ray security inspection equipment from the EU.⁴⁴⁵

On 6 November 2009, China initiated anti-dumping investigation on imports of saloon cars and cross-country cars of a cylinder capacity of no less than 2,000 cc from the United States.⁴⁴⁶

On 29 December 2009, China's Ministry of Commerce announced that it is to extend an anti-dumping investigation into carbon steel fasteners imported from the European Union. The investigation would be prolonged by six months.⁴⁴⁷

⁴³⁹ Status of the Bill: Bill C-32 // The official website of the Legisinfo - The Library of Parliament (Ottawa) 4.12. 2009. URL: www2.parl.gc.ca/Sites/LOP/LEGISINFO/index.asp?Language=E&Chamber=N&StartList=A&EndList=Z&Session=22&Type=0&Scope=I&query=5835&List=stat (date of access: 4.12. 2009).

⁴⁴⁰ Canada: Health Canada ban on flavoured tobacco // The website of the Global Trade Alert (London) 10 July 2009. URL: www.globaltradealert.org/measure/canada-health-canada-ban-flavoured-tobacco. (date of access: 4.12. 2009).

⁴⁴¹ Terence Corcoran: Ottawa's fruit-flavoured tobacco bomb // The official website of National Post (Toronto) 16.11. 2009. URL: network.nationalpost.com/np/blogs/fullcomment/archive/2009/11/16/terence-corcoran-ottawa-s-fruit-flavoured-tobacco-bomb.aspx. (date of access: 4.12.2009).

⁴⁴² Mattress Innerspring Units, Inquiry No. NQ-2009-002 // The official website of the Canadian International Trade Tribunal 24.11. 2009. URL: http://www.citt-tcce.gc.ca/Dumping/inquirie/findings/nq2j002_e.asp#P396_81637 (date of access: 28.05. 2010).

⁴⁴³ Oil Country Tubular Goods, Inquiry No. PI-2009-003 // The official website of the Canadian International Trade Tribunal 23.02.2010. URL: http://www.citt-tcce.gc.ca/Dumping/inquirie/findings/nq2j004_e.asp (date of access: 28.05. 2010).

⁴⁴⁴ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁴⁵ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁴⁶ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁴⁷ China extends anti-dumping probe into EU carbon steel fasteners // Xinhua News Agency. 29.12.2009. URL: http://news.xinhuanet.com/english/2009-12/29/content_12722236.htm (date of access: 29.12.2009).

On 1 January 2010, China reduced applied MFN import tariffs on six tariff lines including products such as fresh strawberries, fermented beverages, woven fabrics of synthetic staple fibres, hides and skins.⁴⁴⁸

On 1 February 2010, China's Ministry of Commerce announced that it would extend anti-dumping measures by five years on imports of phenol from Japan, the Republic of Korea, the United States and Taiwan.⁴⁴⁹

On 1 February 2010, China temporary increased MFN import tariffs on fuel oil (to 3%), and jet fuel (to 6%), but below their respective binding levels of 6% and 9%.⁴⁵⁰

On 1 February 2010, Permanent Delegation of China to the WTO imposed import ban of poultry and poultry products from: Spain, France (Deux-sevres), and the UK (Hampshire).⁴⁵¹

On 1 February 2010, China made the annual adjustment of the catalogue of items subject to automatic import licensing, which includes products such as pork, chicken, vegetable oil, tobacco, paper, milk, minerals, chemicals, electrical products, and certain steel products.⁴⁵²

On 13 February 2010, China imposed provisional measure on imports of broiler chicken products from the United States.⁴⁵³

On 20 March 2010, China imposed anti-dumping measures on imports of polyester staple fibres originating from China, which is on the verge of expiring and is now up for review.⁴⁵⁴

Thus, having raised barriers to trade China is awarded a score of 0.

Analyst: Svetlana Nikitina

France: 0

France has partially complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 27 October 2009, France provided EUR1.65 billion aid to French farmers, favoured them over foreign producers.⁴⁵⁵

Thus France has been awarded a score of 0 for raising new barriers to trade in goods.

Analyst: Vitaly Nagornov

Germany: 0

Germany has partially complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

⁴⁴⁸ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁴⁹ China extends anti-dumping measures on phenol // The official website of People's Daily News Agency. 01.02.2010. URL: <http://english.people.com.cn/90001/90778/90861/6883543.html> (date of access: 01.02.2010).

⁴⁵⁰ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁵¹ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁵² Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁵³ Report G20 Trade and investment measures // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁴⁵⁴ Europe: Review of anti-dumping measures on Chinese PSF imports // The official website of WBIR-TV channel 10.20.03.2010. URL: <http://sec.wbir.com/article/003deUtgXQgFP?q=China> (date of access: 20.03.2010).

⁴⁵⁵ The president announced a plan of support for French agriculture // The official website of the Government of France 29 Oct 2009. URL: <http://www.gouvernement.fr/gouvernement/le-president-de-la-republique-annonce-un-plan-en-faveur-de-l-agriculture-francaise-0> (date of access: 28.05.2010).

On 12 October 2009, the European Commission recommended extending tariffs on shoe products from China and Vietnam of 10 per cent and 16.5 per cent respectively for a maximum duration of 15 months.⁴⁵⁶ The tariffs were first imposed in 2006 and were renewed on 22 December 2009.⁴⁵⁷

On 23 December 2009, Germany granted a guarantee of EUR8 billion to the Hypo Real Estate (HRE), and plans to grant a guarantee of EUR10 billion to the HRE before 21 June 2010.⁴⁵⁸ The European Commission approved this action but noted that these measures distort competition and affect inter-State trade.⁴⁵⁹

Thus, for its participation in new barriers and restrictions to trade and investment, Germany has been awarded a score of 0.

Analyst: Irina Grechukhina

India: 0

India has failed to comply with its commitment to keep markets open and free and refrain from raising barriers or imposing new barriers to investment or to trade in goods and services, imposing new export restrictions or implementing World Trade Organization inconsistent measures to stimulate exports and commit to rectify such measures as they arise.

In December 2009, India imposed a 5 percent duty on exports of iron-ore fines and doubled the tax on lump ore to 10 percent. Thus India is the world's third-largest iron ore exporter. In April 2010 India considered raising export taxes on the steelmaking raw material to 20 percent, but the final decision was not accepted.⁴⁶⁰

On 18 February 2010, The Government of India approved the proposal for release of equity support of INR80 billion in two equal monthly instalments to National Aviation Company of India Limited (NACIL).⁴⁶¹

Thus India has raised new barriers to trade and has made some steps to protect Indian exporters, so it has been awarded a score of -1.

Analyst: Igor Churkin

Indonesia: -1

Indonesia has failed to comply with its commitment to keep markets open and free and refrain from raising barriers or imposing new barriers to investment or to trade in goods and services, imposing new export restrictions or implementing World Trade Organization inconsistent measures to stimulate exports and commit to rectify such measures as they arise.

The Indonesian Government actively protects national manufacturer who are considered to suffer in a large measure after implementation of the ASEAN – China free trade agreement.

In December 2009, Indonesian Businessmen Association chairman, Sofjan Wanandi, said businessmen and the government would prepare a strategy to cope with the impact of the ASEAN – China free trade

⁴⁵⁶ UPDATE 1-EU Commission Wants Extended China Shoe Tax // The official website of Reuters US Edition (Brussels) 12.10.2009. URL: www.reuters.com/article/idUSLC47986220091012. (date of access: 14.12. 2009).

⁴⁵⁷ China Takes Steps Against EU in Trade Row // The official website of Deutsche-Welle (Brussels) 23.12. 2009. URL: www.dw-world.de/dw/article/0,,5052687,00.html. (date of access: 23.12. 2009).

⁴⁵⁸ The letter from the European Commission to Germany - Brussels, 21.12.2009 C(2009)10636 final // The official website of the EC. URL: http://ec.europa.eu/competition/elojade/iseef/case_details.cfm?proc_code=3_N694_2009 (date of access: 23.12. 2009).

⁴⁵⁹ State aid N 694/2009 – Germany Emergency guarantees for Hypo Real Estate // The official website of the EC. 21.12.2009. URL: http://ec.europa.eu/community_law/state_aids/comp-2009/n694-09-en.pdf (date of access: 23.12. 2009).

⁴⁶⁰ India.05. Raise Export Tax on Iron Ore to 20% // The official website of Information agency Bloomberg. 26.04.2010. URL: <http://www.businessweek.com/news/2010-04-22/india-may-raise-export-tax-on-iron-ore-to-20-update1-.html> (date of access: 26.04.2010).

⁴⁶¹ Government approves equity support of Rs. 800 crores to NACIL //The official website of the Government of India. 18.02.2010. URL: <http://pib.nic.in/release/release.asp?relid=57955> (date of access: 13.02.2010).

mechanism starting in January 2010. According to Wanandi, the Government planned to issue new regulations and improve existing ones the following year. He added that the Government had accepted most of the businessmen's recommendation for the short, medium, and long term and agreed to protect the domestic industry. Therewith, according to plans, the businessmen will notify the Government about problems that will arise as a result of the FTA implementation.⁴⁶²

From the Government's side, Industry Minister, MS Hidayat, added that the Government would maximize protection for domestic market by intensifying and reactivating non tariff regulations in facing the ASEAN-CHINA free trade agreement. Hidayat said the Government would try to negotiate tariff reduction with ASEAN and China including through informal lobbies.⁴⁶³

On 15 December 2009, Deputy for the Industry and Trade of the Ministry Edy Putra Irawady said the Government would send a formal request for free trade delay on 303 of the total 2,500 products incorporated in the agreement. The Government is also seeking to modify tariffs of 314 posts in the trade revenue which will follow six months after the beginning of ASEAN-China free trade.⁴⁶⁴

The Government of Indonesia declared that the free trade mechanism could not be delayed only in regard to such products as textile and steel.⁴⁶⁵

In December 2009 the Indonesian Government decided to apply the Trade Ministerial regulation on Indonesian language labels for non-food products (namely electronics, spare parts, construction tools and materials). Deputy Head of the Indonesian Chamber of Trade and Industry, for the Industry, Technology and Maritime Division, Rachmat Gobel, said that the regulation destined to anticipate the flood of importers product.⁴⁶⁶

The Indonesian Government has also revealed plans to limit exports of raw materials and provide incentives for providing domestic market with the commodities to develop domestic industries' capacity in producing finished goods.

On 25 January 2010 Industry Minister MS Hidayat said that the Government was planning to penalize exporters who sell raw materials above the designated limit while provide those who sell their commodities to the local producers with tax incentives.

Chairman of the Indonesian Entrepreneurs Association, Sofjan Wanandi, supported the plans and said manufacturing industries which especially rely on natural resources needed tax incentives.⁴⁶⁷

On 10 February 2010, Deputy Economic Minister of Industry and Trade, Edy Putra Irawady, said that the Government could ask for a voluntary export restraint of 10-15 percent on several Chinese products. According to Irawady, the demand to reduce export especially applies to products which might suffer injury because of the free trade agreement implementation (the products range include, for example, textiles, electronic goods, foot gears).

Several entrepreneurs are worried their products cannot compete with cheap Chinese products.

Chairman of Indonesia Entrepreneurs Association, Sofjan Wanandi, said he was not convinced on the strategy to demand China to reduce its exports, because China could then ask Indonesia to do the

⁴⁶² Government Agrees to Protect the Industrial Sector // The official website of TEMPO Interactive. 22.12.2009. URL: <http://www.tempointeractive.com/hg/nasional/2009/12/22/brk,20091222-215145.uk.html> (date of access: 23.12.2009).

⁴⁶³ Government to Intensify Non-Tariff Protection Measures // The official website of TEMPO Interactive. 22.12.2009. URL: <http://www.tempointeractive.com/hg/ekbis/2009/12/22/brk,20091222-215046.uk.html> (date of access: 24.12.2009).

⁴⁶⁴ Government to Seek Free Trade Delay on 300 Products // The official website of TEMPO Interactive. 15.12.2009. URL: <http://www.tempointeractive.com/hg/ekbis/2009/12/15/brk,20091215-214090.uk.html> (date of access: 24.12.2009).

⁴⁶⁵ Asian Free Market for Textile and Steel Set to Begin Next Year // The official website of TEMPO Interactive. 08.12.2009. URL: <http://www.tempointeractive.com/hg/ekbis/2009/12/08/brk,20091208-212530.uk.html> (date of access: 24.12.2009).

⁴⁶⁶ Non Food Label Regulation Starts from.01. // The official website of TEMPO Interactive. 24.12.2009. URL: <http://www.tempointeractive.com/hg/nasional/2009/12/24/brk,20091224-215523.uk.html> (date of access: 24.12.2009).

⁴⁶⁷ Government to Limit Export of Raw Materials // The official website of TEMPO Interactive. 26.01.2010. URL: <http://www.tempointeractive.com/hg/ekbis/2010/01/26/brk,20100126-221407.uk.html> (date of access: 28.01.2010).

same. In that case, Indonesia can lose an important market, particularly for such export goods as coal and crude palm oil.⁴⁶⁸

Indonesia's trade and trade-related measures (from the report on G20 trade and investment measures September 2009 – February 2010) include:

- Export controls on raw rattan aiming at protecting and maintaining the sustainability of rattan production and plantation (Permanent Delegation of Indonesia to the WTO, October 2009 and Decree 36/M-DAG/PER/8/2009 Ministry of Trade).
- New Law on postal services abolishing monopoly power for certain postal services, and establishing specific conditions for foreign providers (for example to cooperate with local service providers, majority of equity participation in joint ventures should be Indonesian, joint ventures between foreign and domestic providers limited to provincial capitals with international airports and seaports) (Permanent Delegation of Indonesia to the WTO, 14 October 2009).
- Regulation requiring local and foreign bidders for energy service contracts to use a minimum of 35% domestic content in their operations (Permanent Delegation of Indonesia to the WTO, December 2009 and Regulation PTK No. 007 Revisi-1/PTK/IX/2009).
- Implementation of trade facilitation measures such as duty exemption for imports of machines, goods, and materials for the establishment and development of industries, as from 16 November 2009. The exemption is granted only if products are: (i) not yet produced domestically; (ii) produced domestically but not fulfil the required specifications; and (iii) produced domestically but not sufficient for the industries' need (Permanent Delegation of Indonesia to the WTO, 1 February 2010).
- Initiation of safeguard investigation on imports of aluminium foil food container/aluminium tray and plain lid (HS 7612.90.90), 19 January 2010 (WTO Document G/SG/N/6/IDN/6 of 5 February 2010).
- Initiation of safeguard investigation on imports of wire of iron/non-alloy steel, not plated/coated, containing carbon less than 0.25% by weight (HS 7217.10.10), 19 January 2010 (WTO Document G/SG/N/6/IDN/7 of 5 February 2010).
- Initiation of safeguard investigation on imports of wire of iron/non-alloy steel, plated with zinc (HS 7217.20.10), 19 January 2010 (WTO Document G/SG/N/6/IDN/8 of 5 February 2010).

On 22 December 2009, the Indonesian Export Financing Agency (LPEI) announced that it would bear the export costs for small and medium-scale businesses. According to executive-director of LPEI, Mahendra Siregar, only small business that can meet international production requirements will be provided with this facility.

In the initial phase, LPEI will focus on the furniture, food, and fishery sectors. Financing may be obtained in a form of export guarantee loan or letter of credit. The financial support will not be distributed directly to the small businesses but through exporters instead. The exporters will then hand the small businesses' proof of payment to LPEI.⁴⁶⁹

In the beginning of March 2010 Indonesia has also requested import tariff cut on Indonesian fish and financial assistance in port projects from the Japanese Government.⁴⁷⁰

Thus Indonesia has raised new barriers to trade and has made some steps to support exporters, so it has been awarded a score of -1 for implementation of this commitment.

⁴⁶⁸ Government could Limit Chinese Products // The official website of TEMPO Interactive. 11.02.2010. URL: <http://www.temppointeractive.com/hg/nasional/2010/02/11/brk,20100211-225130.uk.html> (date of access: 15.02.2010).

⁴⁶⁹ LPEI to Bear Export Costs // The official website of TEMPO Interactive. 23.12.2009. URL: <http://www.temppointeractive.com/hg/nasional/2009/12/23/brk,20091223-215351.uk.html> (date of access: 24.12.2009).

⁴⁷⁰ Indonesia Seek Lower Import Tariffs From Japan // The official website of TEMPO Interactive. 09.03.2010. URL: <http://www.temppointeractive.com/hg/nasional/2010/03/09/brk,20100309-231343.uk.html> (date of access: 09.03.2010).

Italy: +1

Italy has fully complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

As the EU member state Italy implemented the adopted by the EU additional export of 500,000 tons of out-of-quota sugar in marketing year 2009/2010. But it doesn't violate the obligations arising from Union and Italian membership of the World Trade Organisation (See report on the EU).

Italy has NOT taken measures raising new barriers to investment or trade (including the adoption of new export restrictions) nor stimulating exports through measures that violate relevant WTO rules and agreements.

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

Analyst: Arina Shadrikova

Japan: -1

Japan has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 8 February 2010 Draft legislation on the reform of the Japanese Post was submitted. The new plan provides for a prominent position for the Japanese Post on the market, notably by expanding its activities into such sectors as insurance and financial services. According to the European Commission this would be to the disadvantage of incumbent foreign service providers and would introduce a new barrier to market access.⁴⁷¹

On the basis of the Emergency Measures to Defend People's Daily Lives decided by the Ministerial Meeting on Economic Measure and a public notice issued by the Ministry of Finance on 25 December 2008, the Japan Bank for International Cooperation (JBIC), a subsidiary of the government-owned Japan Finance Corp., has initiated a scheme on 'Credit for exports to developing countries'. The scheme was in force until the end of March 2010. Japanese companies exporting goods and services to developing countries are eligible to receive loans. The temporary measure to provide loans and guarantees for Japanese firms (including SMEs) to finance their business operations in industrial countries (including EU-15), as well as the scheme on 'Credit for exports to developing countries' have been extended to the end of March 2011.⁴⁷²

Japan thus far has implemented new barriers to trade and investment and used exports stimulation measures. Therefore, Japan has been awarded a score of -1.

Analyst: Irina Grechukhina

Republic of Korea: +1

From September 2009 to February 2010, the Republic of Korea has undertaken two measures with potential impacts on international investment (not violating WTO rules). The Republic of Korea continued to operate its Corporate Restructuring Fund. The fund, which is administered by Korea Asset Management Corporation (KAMCO), is to purchase by 2014 non-performing loans from financial institutions as well as assets of the companies that undergo restructuring. The fund will purchase above-mentioned loans and assets within the amount of KRW 10 trillion in 2010. The Fund disposes of up to KRW 40 trillion (USD 27 billion) through government-guaranteed bonds. In

⁴⁷¹ Sixth Report on Potentially Trade Restrictive Measures. // The official website of the EC 05.2010 URL: http://trade.ec.europa.eu/doclib/docs/2010/may/tradoc_146198.pdf (date of access: 15.06.2010).

⁴⁷² Sixth Report on Potentially Trade Restrictive Measures. // The official website of the EC 05.2010 URL: http://trade.ec.europa.eu/doclib/docs/2010/may/tradoc_146198.pdf (date of access: 15.06.2010).

November 2009, KAMCO expanded the ship purchase scheme and continued to purchase vessels from shipping companies. The shipping fund has been established through contributions from private investors and financial institutions as well as from the Restructuring Fund managed by KAMCO. The fund was initially established on 13 May 2009 as part of efforts to facilitate restructuring of the shipping industry and began purchasing ships in July 2009.⁴⁷³

No facts of imposing new export restrictions have been registered during the monitoring period.

On 15 October 2009, Europe's trade chief on Thursday touted the benefits for automakers of a proposed trade liberalisation agreement with South Korea as she sought to overcome a last redoubt of resistance to the deal. The free trade agreement between EU and Korea was signed by both parties.⁴⁷⁴

The Republic of Korea gets +1 for the commitment, as it has not violated WTO rules in respect of creating new barriers for trade and investments or export stimulation.

Analyst: Alexander Simonov

Mexico: 0

Mexico has partially complied with its commitment on fight against protectionism.

On 20 October 2009, United States has initiated anti-dumping investigation on imports of seamless refined cooper pipe and tube from China and Mexico. Affirmative preliminary injury determination has been given on 13 November 2009.⁴⁷⁵

During the compliance cycle Mexico has taken measures to restrict trade but hasn't stimulated exports breaching the WTO rules. Thus, it has been awarded a score of 0.

Analyst: Natalya Zlokazova

Russia: -1

Russia has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 14 October 2009, the Government of Russia prolonged for 9 months import customs duties on iron-and-steel scrap and certain types of rolled metal.⁴⁷⁶

On 10 December 2009, import customs duties on rice were raised from EUR0.07 per 1 kilogram to EUR0.12 per 1 kilogram.⁴⁷⁷

On 2 November 2009, import customs duties on air ejector equipment were raised by 10 percentage points (from 0 per cent to 10 per cent).⁴⁷⁸

On 14 November 2009, the Government of Russia prolonged for 9 months import customs duties on certain types of combines.⁴⁷⁹

⁴⁷³ Report on G20 Trade and Investment Measures // The official website of the UNCTAD. 08.02.2010. URL: http://www.unctad.org/en/docs/wto_oecd_unctad2010d1_en.pdf (date of access: 15.06.2010).

⁴⁷⁴ EU trade chief works to seal S Korea deal // The official website of the Financial Times. 08.02.2010 <http://www.ft.com/cms/ce39f2fc-b982-11de-abac-00144feab49a.html> (date of access: 15.06.2010).

⁴⁷⁵ Report on G20 Trade and Investment (September 2009 to 02.2010) // The official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010)

⁴⁷⁶ Regulation of 14.10.2009 No. 809 // The official website of the Government of the Russian Federation 14.10.2009. government.consultant.ru/doc.asp?ID=54836 (date of access: 8.12. 2009).

⁴⁷⁷ Regulation of 2.11. 2009 No. 881 // The official website of the Government of the Russian Federation 2.11. 2009. government.consultant.ru/doc.asp?ID=55148 (date of access: 8.12. 2009).

⁴⁷⁸ Regulation of 28.09.2009 No. 760 // The official website of the Government of the Russian Federation 28.09.2009. government.consultant.ru/doc.asp?ID=54551 (date of access: 8.12. 2009).

⁴⁷⁹ Regulation of 14.11. 2009 No. 940 // The official website of the Government of the Russian Federation 14.11. 2009. government.consultant.ru/doc.asp?ID=55515(date of access: 8.12. 2009).

On 14 November 2009, the Russian government prolonged for 9 months import customs duties on certain types of cars for high-speed electric trains.⁴⁸⁰

On 8 November 2009, export customs duty on scrap magnesium was introduced at the rate of 20 per cent.⁴⁸¹

On 8 November 2009, rules of customs value fixing were changed.⁴⁸² Previously customs value of exported goods didn't include transportation charges, taxes-and-duties, levied in Russia and country of destination.⁴⁸³ Under new rules export customs duties on certain goods are to rise.

According to the Government regulation No. 314 of 10 May 2010 RUB2.5 billion (USD83 million) will be allocated for subsidies to Russian carmakers and engineering industry companies in 2010.⁴⁸⁴

According to the Government regulation No. 684 of 20 February 2010 RUB5 billion (USD167 million) will be allocated for subsidies to support Russia agriculture and food producers in 2010.⁴⁸⁵

Thus Russia has been awarded a score of -1 for raising new barriers to trade in goods and implementing WTO inconsistent measures to stimulate exports.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with the commitment to keep markets open and free and to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO) inconsistent measures to stimulate export.

On 7 January 2010, Saudi Arabia reimposed 5 percent customs duty on steel rebars & cement imports except those coming from Gulf Cooperation Council countries after a temporary exemption that lasted for 2 years. This decision was circulated to all Saudi border ports for implementation as of the beginning of 2010⁴⁸⁶.

On 13 February 2010, the Communications and Information Technology Commission (CITC) issued a strongly worded statement insisting that all three telecommunications operators in the Kingdom — STC, Mobily and Zain — must end free international roaming for received calls to their customers⁴⁸⁷.

On 24 March 2010, the Ministry of Labor announced an increase in the minimum contract period before a foreign worker may transfer sponsorship. Under the new rules, from 15 April 2010 foreign workers must stay with their sponsor for at least two years before they can move to another company. This change in the sponsorship system can negatively influence the labor force inflow to the country.

⁴⁸⁰ Regulation of 14.11. 2009 No. 931 // The official website of the Government of the Russian Federation 14.11. 2009. government.consultant.ru/doc.asp?ID=55471(date of access: 8.12. 2009).

⁴⁸¹ Regulation of 2.10.2009 No. 771 // The official website of the Government of the Russian Federation 2.10.2009. government.consultant.ru/doc.asp?ID=54661(date of access: 8.12. 2009).

⁴⁸² Regulation of 2.10.2009 No. 772 // The official website of the Government of the Russian Federation 2.10.2009. government.consultant.ru/doc.asp?ID=54662 (date of access: 8.12. 2009).

⁴⁸³ Regulation of 13 .08. 2006 No. 500 // The official website of the Government of the Russian Federation 17 .08. 2006. government.consultant.ru/doc.asp?ID=35071(date of access: 8.12. 2009).

⁴⁸⁴ Government regulation No. 314 of 10 May 2010 // The official website of the Russian Government. 10.05.2010. <http://government.ru/docs/10571/> (date of access: 20.06.2010).

⁴⁸⁵ Government regulation No. 68 of 20 February 2010 // The official website of the Russian Government. 20.02.2010. <http://government.ru/docs/10571/> (date of access: 20.06.2010).

⁴⁸⁶ Saudi Arabia reimposes duty on imports of steel // The official website of the Saudi Arabia News and Updates. A1SaudiArabia.com.07.01.2010. URL: <http://www.a1saudiarabia.com/Kingdom-moves-to-develop-atomic-energy/> (date of access: 24.04.2010).

⁴⁸⁷ CITC firm on ending free international roaming //The official website of the Saudi Arabia News and Updates. A1SaudiArabia.com. 15.02.2010. URL: <http://www.a1saudiarabia.com/CITC-firm-on-ending-free-international-roaming/> (date of access: 24.04.2010).

On 2 December 2009 Saudi Arabia said it will stand by its commitments to the World Trade Organization (WTO) with regard to the trade of commodities and services and expressed its hope that all member countries would do the same. Speaking at a WTO ministerial conference held in Geneva, Minister of Commerce and Industry Abdullah Zainal Alireza said, that the G20 has urged all countries not to resort to protective measures, review their negotiating stands and look at the flexibility they could offer in order to end the Doha Round talks as early as possible⁴⁸⁸.

In spite of the fact that Saudi Arabia refrained from measures aiming at restriction or unfair stimulation of its export, it imposed new tariffs and worsened the conditions for foreign workers. Thus the country has been awarded a score of 0.

Analyst: Maria Datsik

South Africa: +1

South Africa has complied with its commitment to refrain from raising barriers or imposing new barriers to investment or to trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

According to the Overview of the WTO issued on 18 November 2009, South Africa has continued liberalizing its economy, including its trade regime.⁴⁸⁹

On 9 October 2009, South African authorities adopted an increase in import tariffs for 35 categories of imported garments (a 5% increase in import tariffs for 35 categories, headings 61 and 62 of imported garments, from 40% to 45% ad valorem⁴⁹⁰; and a 25% increase in import tariffs on 3 hosiery lines from 20% to 45%⁴⁹¹). However, this hike remains within the bound tariff commitments⁴⁹² of South Africa.⁴⁹³

On 22 October 2009, the rate of duty on synthetic filament yarn has been reduced from 15% ad valorem to free of duty.⁴⁹⁴ The Textile Federation of South Africa applied for the reduction in duty citing the inability of the industry to fully supply the Southern African Customs Union (SACU) market.⁴⁹⁵

On 27 October 2009, the Minister of Finance P. Gordhan announced a series of measures to liberalise inward and outward capital flows.⁴⁹⁶ "In line with member countries in the G20, government is in a

⁴⁸⁸ Kingdom stands by WTO commitments Alireza // The official website of the Saudi Arabia News and Updates. A1SaudiArabia.com. 02.12.2009. URL: <http://www.a1saudiarabia.com/Kingdom-stands-by-WTO-commitments-Alireza/> (date of access: 24.04.2010).

⁴⁸⁹ Overview of Developments in the International Trading Environment // The official website of the World Trade Organization. 18.11.2009. URL: http://www.wto.org/english/news_e/news09_e/wt_tpr_ov_12_a_e.doc (date of access: 22.04.2010).

⁴⁹⁰ Minute No. M1/2009: Addendum to Report No. 313 – Increase in the rate of duty on specific clothing categories classifiable under chapters 61&62 // The official website of the International Trade Administration Commission of South Africa. 09.10.2009. URL: <http://www.itac.org.za/docs/Report%20No.%20313.pdf> (date of access: 23.04.2010).

⁴⁹¹ Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The official website of the World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

⁴⁹² South Africa. Tariff profile. // The official website of the World Trade Organization. 08.03.2010. URL: <http://stat.wto.org/tariffprofile/wsdbtariffpfview.aspx?language=e&country=za> (date of access: 22.04.2010).

⁴⁹³ Fifth report on potentially trade restrictive measures in the context of the global economic crisis // The official website of the the European Commission. 11. 2009. URL: http://trade.ec.europa.eu/doclib/docs/2009/november/tradoc_145270.pdf (date of access: 22.04.2010).

⁴⁹⁴ Report No. 310 Reduction in the rate of duty on synthetic filament yarns classifiable under tariff headings 54.01 and 54.02 // The official website of the International Trade Administration Commission of South Africa. 22.10.2009. URL: <http://www.itac.org.za/docs/Report%20310.pdf> (date of access: 23.04.2010).

⁴⁹⁵ South Africa: Reduction in rate of duty on some synthetic filament yarn // The official website of Global Trade Alert. 8.12.2009. URL: <http://www.globaltradealert.org/measure/south-africa-reduction-rate-duty-some-synthetic-filament-yarn> (date of access: 22.04.2010).

⁴⁹⁶ Statement on Exchange Control. Exchange Control Circular No. 13/2009 // The official website of the Exchange Control Department of the South African Reserve Bank. 27.10.2009. URL:

position to announce further reforms to lower the cost of doing business in South Africa, while managing risks in a volatile international environment.”⁴⁹⁷ The new policy: 1) increases the rand thresholds applicable to outward direct investments by South African companies; 2) removes some restrictions on rand conversion of export proceeds and advance payments for imports; and 3) increases in foreign capital allowances for resident individuals. Further relaxations of the approvals required for investing in Southern African Development Community (SADC) countries were announced.⁴⁹⁸

On 6 November 2009, The International Trade Administration Commission of South Africa has increased the rate of duty on shovels and spades to its bound rate of 20% ad valorem.⁴⁹⁹

On 30 November 2009, the anti-dumping duties on imports of acrylic fabrics from Turkey (imposed in November 2004⁵⁰⁰) have been terminated.⁵⁰¹

On 3 December 2009, the President JG Zuma in his media statement announced that an application to the International Trade Administration Commission (ITAC) by the clothing and textile sector to increase 35 tariffs to their bound rate of 45% was approved and finalised in record time. ITAC has also approved a decrease in tariffs through a rebate scheme for several textile items to encourage clothing manufacturing. Additional applications have been made to ITAC in capital equipment, transport and metal products in order to effectively use legal trade measures to address the short term crisis in vulnerable sectors. The task team tackled customs fraud and illegal imports vigorously. Government has set up a special team for this, initially focussing on the clothing sector.⁵⁰²

On 18 December 2009, the ITAC has approved the amendment of the rate of duty on automotive components and light motor vehicles under the motor industry development programme (MIDP) for light motor vehicles and original equipment components, specifying for one percentage point annual reduction of customs duties from 2010 to 2010 to 25% and 20%.⁵⁰³

On 26 February 2010, the ITAC has introduced the reduction in the rate of customs duty on tubes, pipes and hoses of vulcanised rubber (excluding hard rubber) from 15% ad valorem to free of duty.⁵⁰⁴

In February 2010, Industrial Policy Action Plan 2010/11-2010/13 has been issued. Key Action Programmes (KAPs) of the Plan include ongoing developmental tariff reform with the several key milestones: applying to the International Trade Administration Commission (ITAC) for selective tariff

[http://www.reservebank.co.za/internet/Publication.nsf/LADV/C5C3ADD965CE179F4225765C004F8AF4/\\$File/Circ+No+13+2009.pdf](http://www.reservebank.co.za/internet/Publication.nsf/LADV/C5C3ADD965CE179F4225765C004F8AF4/$File/Circ+No+13+2009.pdf) (date of access: 10.03.2010).

⁴⁹⁷ Medium Term Budget Policy Statement 2009, Speech Pavin Gordhan Minister of Finance. // The official website of the National Treasury Republic of South Africa. 27.10.2009. URL:

<http://www.treasury.gov.za/documents/mtbps/2009/mtbps/speech.pdf> (date of access: 10.03.2010).

⁴⁹⁸ Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The official website of the World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

⁴⁹⁹ Report No. 309 Increase in the rate of duty on shovels and spades // The official website of the International Trade Administration Commission of South Africa. 06.11.2009. URL: <http://www.itac.org.za/docs/Report%20309.pdf> (date of access: 23.04.2010).

⁵⁰⁰ Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The official website of the World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

⁵⁰¹ Report No.320 Termination of the anti-dumping duties on acrylic fabrics originating in or imported from Turkey // The official website of the International Trade Administration Commission of South Africa. 30.11.2009. URL: <http://www.itac.org.za/docs/Report%20320.pdf> (date of access: 23.04.2010).

⁵⁰² Media statement by President JG Zuma following the report back by the leadership group of the framework response to the economic crisis. // The official website of the South African Government. 3.12.2009. URL: <http://www.info.gov.za/speeches/2009/09120313151002.htm> (date of access: 17.03.2010).

⁵⁰³ M4/2009: Amendment of the rate of duty on automotive components and light motor vehicles under the Motor Industry Development Programme for light motor vehicles and original equipment components // The official website of the International Trade Administration Commission of South Africa. 18.12.2009. URL: <http://www.itac.org.za/docs/m4%202009%20amendment.pdf> (date of access: 23.04.2010).

⁵⁰⁴ Report No. 319 // The official website of the International Trade Administration Commission of South Africa. 26.02.2010. URL: <http://www.itac.org.za/docs/Report%20No%20319.pdf> (date of access: 23.04.2010).

increases on products with scope for significant potential creation / retention of decent jobs and import replacement and "water" between bound and applied rates; further selected decreases in tariffs on intermediate inputs into manufacturing and other productive sectors.⁵⁰⁵

On 9 October 2009, the Deputy Minister of Trade and Industry, Thandi Tobias-Pokolo, declared the South African government's strong commitment to provide support to the automotive industry. The objective of this support is to increase productivity level, to improve on trade agreements, especially with the EU and the USA, and to increase outputs. However, the assistance to the automotive industry of South Africa does not foresee any measures violating WTO rules and agreements.⁵⁰⁶

In February 2010, under the Export Marketing and Investment Assistance Scheme⁵⁰⁷ (EMIA) the Trade and Industry Department of South Africa has launched the initiative called "Increase Your Export! Increase Your Turn-Over!". The initiative concerns the companies working in the areas of engineering and maintenance-related products⁵⁰⁸, food and food-related products⁵⁰⁹, automotive⁵¹⁰. The Department of Trade and Industry will provide in 2010 assistance to South African exporters (meeting certain requirements) who wish to introduce South African products into foreign markets, in a cost-effective manner.⁵¹¹ But this assistance does not violate any WTO provisions.

Thus, South Africa has reduced duty rates for some categories of goods, has taken the measures to liberalize inwards and outwards investment flows, and has not stimulated its exports through WTO inconsistent measures. All implemented increases in import tariffs were within the bound rates agreed with the WTO. Consequently, South Africa has been awarded a score +1 for full compliance with the commitment.

Analyst: Anna Vekshina

Turkey: +1

Turkey has fully complied with its commitment to keep market open and free, refrain from raising or imposing new barriers to investment or trade, likewise during the monitoring there was no signs of implementing WTO inconsistent measures.

On 3 October 2009, at the annual membership meeting of the Institute of International Finance, or IIF, held in Istanbul, Turkish Prime Minister Recep Erdoğan urged the world's major economies to take a stand against protectionism in trade, finance and investments in order to weather the global economic crisis in the shortest time possible.⁵¹²

⁵⁰⁵ 2010/11-2010/13 Industrial Policy Action Plan. // The official website of the South African Government. 02.2010. URL: <http://www.info.gov.za/view/DownloadFileAction?id=117330> (date of access: 16.03.2010).

⁵⁰⁶ SA government committed to supporting automotive industry – the dti's Deputy Minister Tobias-Pokolo // The official website of the Department of Trade and Industry of South Africa. 09.10.2009. URL: <http://www.dti.gov.za/article/articleview.asp?current=1&arttypeid=1&artid=1905> (date of access: 23.04.2010).

⁵⁰⁷ Export Incentives. // The official website of the Department of Trade and Industry of South Africa. URL: <http://www.dti.gov.za/exporting/exportincentives.htm> (date of access: 16.03.2010).

⁵⁰⁸ Market your engineering and maintenance-related products at the Eastern African Power Industry Convention (EAPIC) 2010, in Nairobi, Kenya. // The official website of the Department of Trade and Industry of South Africa. 02.2010. URL: http://www.dti.gov.za/invitations/EAPIC_2010.pdf (date of access: 16.03.2010).

⁵⁰⁹ Market your food and food-related products at the SIAL 2010 exhibition, in Paris, France. // The official website of the Department of Trade and Industry of South Africa. 02.2010. URL: http://www.dti.gov.za/invitations/SIAL_2010.pdf (date of access: 16.03.2010).

⁵¹⁰ Have you got what it takes to compete in the international market? // The official website of the Department of Trade and Industry of South Africa. 02.2010. URL: <http://www.dti.gov.za/invitations/automechanika.pdf> (date of access: 16.03.2010).

⁵¹¹ Increase Your Exports! Increase Your Turn-Over! // The official website of the Department of Trade and Industry of South Africa. 02.2010. URL: <http://www.dti.gov.za/> (date of access: 16.03.2010).

⁵¹² Erdoğan urges fight against protectionism to weather crisis // The official website of the Anatolia News Agency URL: <http://www.todayszaman.com/tz-web/news-188850-erdogan-urges-fight-against-protectionism-to-weather-crisis.html> (date of access: 04.10.2009)

On 5 October 2009, speaking at the meeting of the Turkish-Iranian Business Council in İstanbul, Turkish State Minister for foreign trade Zafer Çağlayan said his ministry was working on a project to establish a joint free zone at the Turkish-Iranian border.⁵¹³

On 25 November 2009, the Anatolia news agency reported that a new bill currently being drafted by the Public Procurement Authority (KİK) will lift all barriers before foreign interests to bid in public procurement tenders in an attempt to reconcile existing rules with the EU *acquis communautaire*.⁵¹⁴

On 22 February 2010, according to a story in the English-language Korea Herald, aggressive moves by the Turkish government could result in a free trade agreement (FTA) between South Korea and Turkey by the end of the 2010, in a move to bring down trade barriers between the two G20 members.⁵¹⁵

On 12 November 2009, the Turkish Undersecretariat of Foreign Trade initiated an expiry review of anti-dumping duties on gas fuelled, refillable pocket originating from the People's Republic of China.⁵¹⁶

On 12 November 2009 the Turkish Undersecretariat of Foreign Trade determined that revoking the existing anti-dumping duty on ballpoint pens of plastic with liquid ink originating from People's Republic of China is likely to result in the continuation or reoccurrence of dumping and injury.⁵¹⁷

On 19 November 2009, the Turkish Undersecretariat of Foreign Trade, initiated an expiry review of anti-dumping duties on ropes and cables of iron or steel (including locked coil ropes) originating from the People's Republic of China and the Russian Federation.⁵¹⁸

On 6 December 2009, the Turkish Undersecretariat of Foreign Trade, through Communiqué on Safeguard Measures in Importation, recommended to the Council of Ministers the imposition of safeguards measure in importation of matches (HTS 3605).⁵¹⁹

On 22 January 2010, the Turkish Undersecretariat of Foreign Trade initiated an anti-dumping investigation on glass fiber reinforcement materials originating from China.⁵²⁰

On 22 January 2010, the Turkish Undersecretariat of Foreign Trade imposed preliminary anti-dumping duties on certain made-up textile articles and fabrics made of artificial or synthetic fibers originating from China.⁵²¹

⁵¹³ We are working on a project to establish joint free zone with Iran, Çağlayan // The official website of the Anatolia News Agency . URL: <http://www.todayszaman.com/tz-web/news-188950-we-are-working-on-a-project-to-establish-joint-free-zone-with-iran-caglayan.html> (date of access: 05.10.2009)

⁵¹⁴ Barriers to be lifted on foreign firms in public procurement tenders // The official website of the Today's Zaman News URL: <http://www.todayszaman.com/tz-web/news-194003-barriers-to-be-lifted-on-foreign-firms-in-public-procurement-tenders.html> (date of access: 26.11.2009)

⁵¹⁵ Korea, Turkey to commence FTA talks in.04. // Today's Zaman News URL: <http://www.todayszaman.com/tz-web/news-202305-korea-turkey-to-commence-fta-talks-in-april.html> (date of access: 23.02.2010)

⁵¹⁶ Turkey initiates expiry review of anti-dumping duties on pocket lighters // The website of Antidumping Publishing.com 12.11.2009 URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-initiates-expiry-review-of-anti-dumping-duties-on-pocket-lighters-.aspx> (date of access: 12.11.2010)

⁵¹⁷ Turkey to continue antidumping duties on pens // The website of Antidumping Publishing.com. 12.11.2009 URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-to-continue-anti-dumping-duties-on-pens-.aspx> (date of access: 12.11.2010)

⁵¹⁸ Turkey initiates expiry review of antidumping duties on ropes and cables // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-initiates-expiry-review-of-anti-dumping-duties-on-ropes-and-cables-.aspx> (date of access: 23.11.2009)

⁵¹⁹ Turkey safeguard measure on matches // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey---safeguard-measure-on-matches-.aspx> (date of access: 08.12.2009)

⁵²⁰ Turkey initiates anti dumping investigation on glass fiber // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-initiates-anti-dumping-investigation-on-glass-fiber-.aspx> (date of access: 03.02.2010)

⁵²¹ Turkey imposes preliminary antidumping duties on curtain, curtain cloth and upholstery // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-imposes-preliminary-anti-dumping-duties-on-curtain,-curtain-cloth-and-upholstery-.aspx> (date of access: 03.02.2010)

Turkey has also revised some of other imposed duties applied against a number of import items from a group of countries, such measures for some of items were canceled for others left without change. All activities in this field were consistent with WTO norms.⁵²²

Thus Turkey for its full compliance with its commitment is awarded a score of +1.

Analyst: Anvarjon Sultanov

UK: +1

The United Kingdom has fully complied with its commitment to refrain from introducing new trade barriers and subsidies in violation of the WTO Agreement on Subsidies and Countervailing Measures.

No facts of new import barriers imposition have been registered during the compliance cycle.

No facts of the World Trade Organisation (WTO) inconsistent measures to restrict exports implementation during the compliance cycle have been registered.

No facts of the World Trade Organisation (WTO) inconsistent measures to stimulate exports implementation during the compliance cycle have been registered.

Therefore, the United Kingdom has been awarded an interim compliance score of +1.

Analyst: Irina Grechukhina

USA: 0

The United States has partially complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 17 November 2009, the United States International Trade Commission (USITC) determined that a U.S. industry is materially injured by reason of imports of commodity matchbooks from India that the

⁵²² Turkey initiates expiry review of anti-dumping duties on drilling tools // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-initiates-expiry-review-of-anti-dumping-duties-on-drilling-tools-.aspx> (date of access: 03.02.2010)

Turkey initiates expiry review of antidumping duties on artificial leathers // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-initiates-expiry-review-of-anti-dumping-duties-on-artificial-leathers-.aspx> (date of access: 03.02.2010)

Turkey imposes antidumping duties on flanges // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-imposes-anti-dumping-duties-on-flanges-.aspx> (date of access: 03.02.2010)

Turkey extends safeguard measures on three household products // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-extends-safeguard-measures-on-three-household-products.aspx> (date of access: 01.03.2010)

Turkey to monitor imports of investigated products // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-to-monitor-imports-of-investigated-products-.aspx> (date of access: 01.03.2010)

Turkey does not extend safeguard measure on salt // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-does-not-extend-safeguard-measure-on-salt-.aspx> (date of access: 01.03.2010)

Turkey extends safeguard measure on motorcycles // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-extends-safeguard-measure-on-motorcycles-.aspx> (date of access: 01.03.2010)

Turkey extends safeguard measure on footwear // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-extends-safeguard-measure-on-footwear-.aspx> (date of access: 01.03.2010)

Turkey initiates expiry review of antidumping duties on fasteners // The website of Antidumping Publishing.com URL: <http://www.antidumpingpublishing.com/anti-dumping-news/Turkey-initiates-expiry-review-of-anti-dumping-duties-on-fasteners-.aspx> (date of access: 11.03.2010)

U.S. Department of Commerce has determined are subsidized and sold in the United States at less than fair value.⁵²³

On 30 December 2009, the United States International Trade Commission (USITC) determined that a U.S. industry is materially injured with material injury by reason of imports of certain oil country tubular goods from China that the U.S. Department of Commerce has determined are subsidized.⁵²⁴

Thus, the United States has been awarded a score of 0 for raising new barriers to trade in goods.

Analyst: Vitaliy Nagornov

European Union: +1

The EU has complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 27 January 2010 the European Commission proposed additional export of 500,000 tons of out-of-quota sugar in marketing year 2009/2010. The move triggered protests from major sugar producers such as Australia, Brazil and Thailand that voiced their concerns at the WTO Dispute Settlement Body meeting on February 18, 2010.⁵²⁵ According to the Commission Regulation (EU) No 94/2010 of 3 February 2010 exports above the export subsidy commitments of the Union could be made without violating the obligations arising from Union membership of the World Trade Organisation. Under the current economic conditions the average production cost of sugar beet in the EU is below the selling price of the out-of-quota sugar beet. Furthermore, the selling price of the out-of-quota sugar on the world market is above the average cost of sugar production in the Union. Therefore, as long as these conditions are valid, the export of out-of-quota sugar cannot be considered as being subsidised. Moreover, it is now estimated that world market sugar prices may start decreasing as from the second half of 2010. To make sure that the additional exports of out-of-quota sugar do not interfere with subsidy commitments of the Union, the EU limits the application for export licences until 30 June 2010 and reduces the validity of export licences to one month.⁵²⁶

On 22 December 2009, the Council adopted a regulation extending, by a further period of 15 months, the anti-dumping duty on imports into the EU of footwear with leather uppers originating in China and Vietnam⁵²⁷. Hence it is recalled that despite the imposition of anti-dumping duties much higher than 3,5 %, both Vietnam and China maintained high levels of import volumes into the Union as prices from third countries are on average 34 % higher than Chinese prices, and 28 % higher than Vietnamese prices. Definitive anti-dumping duties ranging from 9,7 % to 16,5 % in the case of China and 10 % in the case of Vietnam, were first imposed in October 2006.⁵²⁸

⁵²³ Commodity matchbooks from India injure US industry, USITC // the official website of the United States International Trade Commission. 17.11. 2009. URL: http://www.usitc.gov/press_room/news_release/2009/er1117gg1.htm (date of access: 28.05. 2010).

⁵²⁴ Certain oil country tubular goods from China injure US industry, USITC // the official website of the United States International Trade Commission. 30.12. 2009. http://www.usitc.gov/press_room/news_release/2009/er1230gg1.htm (date of access: 28.05. 2010).

⁵²⁵ EC: Additional out-of-quota sugar exports // the website of the Global Trade Alert (London) 19.02.2010. <http://www.globaltradealert.org/measure/ec-additional-out-quota-sugar-exports> (date of access: 01.06.2010).

⁵²⁶ Commission Regulation (EU) No 94/2010 of 3.02.2010 fixing an additional quantitative limit for the exports of out-of-quota sugar in respect of marketing year 2009/2010 // Official Journal of the European Union. 03.02.2010. URL: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:032:0002:0003:EN:PDF> (date of access: 01.06.2010).

⁵²⁷ Council extends anti-dumping duty on footwear imports from China and Vietnam. 17773/09 (Presse 393), Brussels // the official website of the EU Council. 22.12. 2009. URL: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/envir/112046.pdf (date of access: 01.06.2010).

⁵²⁸ Council Implementing Regulation 16851/09 imposing a definitive anti-dumping duty on imports of certain footwear with uppers of leather originating in Vietnam and originating in the People's Republic of China, as extended to imports of certain footwear with uppers of leather consigned from the Macao SAR, whether declared as originating in the Macao SAR or not, following an expiry review pursuant to Article 11(2)

On 4 February 2010, China requested consultations with the European Union concerning EU anti-dumping measures on certain leather footwear from China. According to China, applicable WTO rules require that an individual margin and duty be determined and specified for each known exporter and producer and not for the supplying country as a whole. On 8 April 2010, China requested the establishment of a panel. At its meeting on 18 May 2010, the DSB established a panel. Australia, Japan, Turkey, the United States and Viet Nam reserved their third-party rights⁵²⁹. But still there is no definite decision on the case, so we cannot consider this as fact of making barriers to trade, and the Commission noted that nonautomatic import licensing is a WTO compatible practice and the measures were first imposed following a Commission investigation confirming the existence of dumping and injury to Community producers that complies with the WTO agreements.

Thus, the EU has not implemented new barriers to trade or unfair export subsidies it has been awarded a score of +1.

Analyst: Arina Shadrikova

of Council Regulation (EC) No 384/96 Brussels // the official website of the EU Council. 16.12. 2009. URL: <http://register.consilium.europa.eu/pdf/en/09/st16/st16851.en09.pdf> (date of access: 01.06.2010).

⁵²⁹ European Union — Anti-Dumping Measures on Certain Footwear from China // WTO Official website. URL http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds405_e.htm (date of access: 01.06.2010).

5. Balancing Current Accounts and Promotion of Open Trade and Investment

119 - [we will:] promote more balanced current accounts and support open trade and investment to advance global prosperity and growth sustainability, while actively rejecting protectionist measures.

G20 Leaders' Statement: The Pittsburgh Summit

Background

Promotion of more balanced current accounts was for the first time discussed by the G20 members at Pittsburgh summit. At 2009 Aquila Summit G8 leaders recognise the importance of working together to ensure a smooth unwinding of the existing imbalances in current accounts. The necessary adjustments should be in line with the “multilaterally agreed strategies, which include supporting strong internal demand in surplus countries and increasing savings rates in deficit countries through appropriate macroeconomic and structural policies”. The leaders agreed that “greater macroeconomic policy coordination will also be needed to help ensure that the burden of adjustment is fairly shared”.⁵³⁰

The G8 leaders at the 2009 L'Aquila summit committed to creating a more open and hospitable environment for foreign direct investment (FDI) in light of the decline in FDI since the start of the global financial crisis. FDI has been heralded as a new way to encourage development in least-developed countries (LDCs). By bringing financial and technical resources to developing countries, harnessing the local workforce and providing direct capital flows, FDI can play a major role in global economic development.⁵³¹

However, FDI has been on the decline in recent months, largely due to the negative effect of the global financial crisis on the international flow of capital. As outlined in a January 2009 UNCTAD press release, “In the face of a global economic recession, tighter credit conditions, falling corporate profits, and gloomy prospects and uncertainties for global economic growth, many companies have announced plans to curtail production, lay off workers, and cut capital expenditures, all of which tend to reduce FDI.”⁵³² A joint report by the WTO and the UNCTAD, presented to the Pittsburgh G20 Summit leaders, predicted that FDI levels would decline by 30-40 per cent.⁵³³ The decline in FDI threatened to broaden in 2009 and to spread to developing countries. As a result, the UNCTAD urged states to implement policies that would encourage the reversal of this downward trend, and it warned them to avoid protectionist measures that might further limit international investment.⁵³⁴

Commitment Features

This commitment is broken into two parts. First, members committed to promote more balanced current accounts (balance of trade, net factor income from abroad (interest and dividends), net transfer payments).

⁵³⁰ Responsible Leadership for a Sustainable Future// G8 Information Centre. 8.07.2009. URL: <http://www.g8.utoronto.ca/summit/2009laquila/2009-declaration.html> (date of access: 2.11. 2009).

⁵³¹ Foreign Direct Investment for Development: Maximizing Benefits, Minimizing Costs// the official website of the Organisation for Economic Co-operation and Development (Paris) 2002. URL: <http://www.oecd.org/dataoecd/47/51/1959815.pdf> (date of access: 2.11. 2009).

⁵³² Global Foreign Direct Investment now in decline - and estimated to have fallen during 2008// the official website of the United Nations Conference on Trade and Development (Geneva) 19.01. 2009. URL: <http://www.unctad.org/Templates/webflyer.asp?docid=10930&intItemID=1528&lang=1> (date of access: 2.11. 2009).

⁵³³ G20 governments refrain from extensive use of restrictive measures, but some slippage evident// the official website of the World Trade Organization (Geneva) 14.09.2009. URL: http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm (date of access: 1.11. 2009).

⁵³⁴ Global Foreign Direct Investment now in decline -- and estimated to have fallen during 2008 // the official website of the United Nations Conference on Trade and Development (Geneva) 19.01. 2009. URL: <http://www.unctad.org/Templates/webflyer.asp?docid=10930&intItemID=1528&lang=1> (date of access: 2.11. 2009).

Leaders' Statement adopted at the Pittsburgh Summit sets specific lists of measures for two types of G20 members:

“G-20 members with sustained, significant external deficits pledge to undertake policies to support private savings and undertake fiscal consolidation while maintaining open markets and strengthening export sectors.

G-20 members with sustained, significant external surpluses pledge to strengthen domestic sources of growth. According to national circumstances this could include increasing investment, reducing financial markets distortions, boosting productivity in service sectors, improving social safety nets, and lifting constraints on demand growth”.⁵³⁵

Note that only measures that are not protectionist as defined by the WTO can constitute compliance with this commitment. Specific measures to balance current accounts can include:

- Policy measures to increase exports and decrease imports (including earmarking funding to support domestic exporters) unless they are in breach with the WTO provisions
- Influencing the exchange rate by devaluing the domestic currency to make exports more competitive;
- Measures that increase domestic savings (or reduce domestic borrowing), including a reduction in borrowing by the national government;
- Additionally, all actions taken by member if they are declared to be aimed at balancing current accounts should be registered as compliance;
- If there is no clear indication given by G20 member authorities or international organisations (e.g. IMF) that a specific measure is taken to balance current accounts analyst should explain how such measure affect current accounts to include it in the report.

Second, members committed to support open trade and investment to advance global prosperity and growth sustainability, while actively rejecting protectionist measures. As trade and investment protectionist measures are monitored in commitment № 111 only specific positive measures to stimulate trade and investments should be counted as compliance with this commitment. These measures can include:

participation in regional economic integration processes;

signing bilateral or multilateral agreements on trade or investments liberalization;

promotion of special economic zones;

lifting national barriers to trade and investments.

The measures to promote trade and investments in foreign countries (both developed and developing) should be also registered as compliance.

Useful links

[IMF Executive Board Endorses the Framework for the Fund's Involvement in the G-20 Mutual Assessment Process](#)

[The G-20 Mutual Assessment Process and the Role of the Fund](#)

Scoring

-1	Member doesn't promote more balanced current accounts AND doesn't promote investment domestically or abroad.
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⁵³⁵ Leaders' Statement: The Pittsburgh Summit. // the official website of the Pittsburgh Summit. 25.09.2009 URL: <http://www.pittsburghsummit.gov/mediacenter/129639.htm> (date of access: 16.06.2010).

0	Member promotes more balanced current accounts OR promotes investment domestically or abroad.
+1	Member promotes more balanced current accounts AND promotes investment domestically or abroad.

Assessment:

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina		0	
Australia			+1
Brazil		0	
Canada			+1
China		0	
France			+1
Germany		0	
India	-1		
Indonesia		0	
Italy		0	
Japan		0	
Republic of Korea			+1
Mexico			+1
Russian Federation			+1
Saudi Arabia	-1		
South Africa			+1
Turkey	-1		
UK			+1
USA			+1
EU		0	
Compliance Average	0.7		

Country compliance

Argentina: +1

Argentina has fully complied with the commitment to promote balanced current accounts and investment domestically and abroad.

On 10 February 2010, a summit of Ministers of Economy and Chairmen of Central Banks of the Union of South American Nations (Unión de Naciones Sudamericanas – UNASUR) comprised of Brazil, Chile, Uruguay, Columbia, Argentina, Bolivia, Ecuador, Paraguay, Venezuela and Peru was held in Quito, Ecuador. As a result of the talks an agreement on the coordinated approach towards the

management and use of Central Banks's reserves of the member-states was achieved. Besides, the regional Stabilization Fund (Fondo de Estabilización) was set up with the aim of adjusting balance of payments of the participating nations.⁵³⁶ Being a component of the balance of payments, current account control was also provided for.

Moreover, the introduction of the multilateral payment systems in local currencies was considered. The purpose of the scheme is to create a regional capital market and encourage the development of investment projects in member-countries. A similar system already exists in trade relations between Argentina and Brazil, while Uruguay and Paraguay are expected to join.⁵³⁷

Argentina is active in promoting investments, both domestically and abroad.

On 20 October 2009, Argentine Minister for Finance and Economy Amado Boudou launched a competitive bidding programme with the total amount of ARS3.6 billion in the framework of the Law on investment development (Ley de Promoción de inversiones) under which investors can apply accelerated amortization schemes or obtain reduced rates of value-added tax. Both benefits can be enjoyed by companies that come up with investment projects aimed at exports or targeted at environmentally-friendly technologies.⁵³⁸

On 22 October 2009, Argentina's Investment Development Agency President Beatriz Nofal held a meeting with British business and government officials, which was organized by the Chambers of Commerce of the two countries. Argentina's competitive advantages and opportunities for the development of joint investment projects were presented and discussed in the course of the talks.⁵³⁹

On 6 November 2009, Argentina's Investment Development Agency President and Ambassador of the Republic of South Africa in Argentina held a meeting on the development of investment projects between the countries. As a result of the talks, it was agreed to focus on the implementation of investment projects in Argentina in the first half-year and in South Africa in second half-year of 2010.⁵⁴⁰

On 9 November 2009, Association of entrepreneurs from Castilia and Leon (Asociación Castellana y Leonesa de Empresarios en Argentina) was set up in Argentina with the aim of establishing a permanent forum for dialogue and contacts in the areas of investments, trade, technological exchange and business between Spain and Argentina.⁵⁴¹

On 19 November 2009, Argentina's Investment Development Agency held a workshop on the application of the Law on investment development (Ley de Promoción de inversiones) for investors, during which the opportunities for raising capital were explained.⁵⁴² Besides, a series of meetings with

⁵³⁶ Sudamérica Avanza Hacia El Uso Coordinado De Reservas // The official website of the Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON). 12.02.2010. URL: <http://noticias.mecon.gov.ar/wp-content/uploads/2010/02/feletti.pdf> (date of access: 16.06.2010).

⁵³⁷ Diseñar un fondo de estabilización // portada Página 12. 13.02.2010. URL: <http://www.pagina12.com.ar/diario/economia/2-140183-2010-02-13.html> (date of access: 16.06.2010).

⁵³⁸ Boudou y Giorgi anunciaron Ley de Promoción de inversiones // The official website of the Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON). 20.10.2009. URL: http://noticias.mecon.gov.ar/wp-content/uploads/2009/10/20-10-09-boudou-giorgi_ley-de-promocion-de-inversiones.pdf (date of access: 16.06.2010).

⁵³⁹ Nofal disertó en la Cámara de Comercio Argentino-Británica, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 22.10.2009. URL: http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴⁰ Nofal se reunió con el Embajador de Sudáfrica en Argentina, Newsletter N° 7 OCTUBRE-NOVIEMBRE 2009 // The official website of the Argentina's Investment Development Agency. 6.11. 2009. URL: http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴¹ ProsperAr participó del lanzamiento de la Asociación Castellana y Leonesa de Empresarios en Argentina, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 9.11. 2009. URL: http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴² Seminario Ley de Promoción de Inversiones, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 19.11. 2009. URL: http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

foreign investors were organized in order to get feedback from the entrepreneurs and improve investment climate in the country. Thus, on 22 October 2009 and 26 November 2009 businessmen from Peru and Canada respectively were invited.^{543, 544}

On 24 November 2009, the Inter-American Development Bank approved a USD6 million loan to help small and medium-sized enterprises (SMEs) in Argentina expand export opportunities with better promotion and market development. The loan is for a 25-year term, with a four-year disbursement and grace periods, and carries a Libor-based interest rate. The Government of Argentina will provide USD4 million in local counterpart funds.⁵⁴⁵

On 25 November 2009, a bilateral agreement on the development of investment cooperation was signed between the Argentina's Investment Agency and the Czech Invest. The cooperation suggests strengthening investment relations between the two countries and involves information exchange with respect to FDI. State-of-the-art technologies, renewable energy, machinery, software and biotechnologies were named among the priorities.⁵⁴⁶

On 25-26 November 2009, the Third Entrepreneurial Forum between China and Latin America (III Cumbre Empresarial China – América Latina) was held in Columbia, during which more than 50 business contacts in the sphere of investments were established between Chinese businessmen and their Argentinian counterparts.⁵⁴⁷

In order to attract FDI Argentina's Investment Development Agency provides information and consulting assistance to potential investors. Throughout October-November 2009 127 inquiries were satisfied, which is a 10% increase in comparison with the previous year. 48 (38%) of inquiries were made by domestic companies, whereas foreign enterprises accounted for 79 (62%), most of which came from China, Brazil, Columbia, France, the USA, Austria, Mexico and Chile.⁵⁴⁸

On 14 January 2010, A. Boudou held a meeting with the Director General of the China National Petroleum Corporation and the Director of the Petrochina Company Limited, during which the issues of FDI by China into Argentina were discussed.⁵⁴⁹

On 5 March 2010, A. Boudou reaffirmed the intention to pursue the programme of encouraging small and medium enterprises via increasing the credit lines available for financing their projects in the Foreign Trade and Investment Bank (Banco de Inversión y Comercio Exterior – BICE) and the

⁵⁴³ ProsperAr organizó un desayuno de trabajo con empresas de origen peruano, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 22.10.2009. URL:

http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴⁴ Desayuno de trabajo con empresas de Canadá, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 26.11. 2009. URL:

http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴⁵ Argentina's small companies to increase export opportunities with IDB assistance // The official website of the Inter-American Development Bank. 24.11. 2009. URL: <http://www.iadb.org/news-releases/2009-11/english/argentinas-small-companies-to-increase-export-opportunities-with-idb-assistance-5984.html> (date of access: 16.06.2010).

⁵⁴⁶ Agencias de Inversión de Argentina y República Checa firmaron acuerdo de cooperación para la promoción de las inversiones bilaterales, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 25.11. 2009. URL: http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴⁷ ProsperAr participó de la III Cumbre Empresarial China – América Latina, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. 25-26.11. 2009. URL:

http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴⁸ Las consultas de inversiones del bimestre se incrementaron un 10% respecto del mismo período de 2008, Newsletter N° 7 Octubre-Noviembre 2009 // The official website of the Argentina's Investment Development Agency. URL: http://www.prosperar.gov.ar/newsletter/Prosperar_Newsletter_octubre-nov-09.pdf (date of access: 16.06.2010).

⁵⁴⁹ Boudou recibió a inversores // The official website of the Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON). 14.01. 2010. URL: <http://noticias.mecon.gov.ar/?p=839> (date of access: 16.06.2010).

National bank (Banco Nación).⁵⁵⁰ Besides, 20 April 2010 the Minister stated that Argentina needed “to recreate a development bank to drive investment forward”.⁵⁵¹

On 20 April 2010, Argentina and China signed an agreement providing for the general conditions of the electrification of the Belgrano Sur and Belgrano Norte rail lines in Argentina, under which China is to supply rolling stock and Chinese banks are to provide up to 85% of financial support.⁵⁵²

Argentina has taken considerable steps towards promoting balanced current account and encouraging domestic and foreign investment and is awarded a score of +1.

Analyst: Polina Arkhipova

Australia: 0

Australia has partially complied with its commitment.

Australia's current account position differs in important respects from those of other OECD countries with persistent current account deficits over recent years:

- higher current account deficit in Australia has been due to high and rising investment rather than low or declining saving (indeed the national saving rate has been rising);
- higher investment has been to expand productive capacity, particularly in the export sector — it has not reflected over-investment in housing associated with a house price bubble; and
- Australia has maintained a sound underlying fiscal position⁵⁵³.

3 November 2009, the ultimate macroeconomic outcome of portfolios stuffed with government debt was a slowdown in credit intermediation and growth. According to the International Monetary Fund, government debt for advanced G20 countries will reach 118 per cent of gross domestic product on average by 2014. Among them, only Australia, Canada, and South Korea will have debt ratios well below 90 per cent.⁵⁵⁴

26 November 2009, trade Minister Simon Crean announced another important step in the relationship with India as he outlined a major expansion of Austrade's network in India. Mr Crean said the Government has been determined to significantly build the relationship with India. India and Australia agreed to a FTA feasibility study. Five new trade offices will be launched in India and another three existing operations will be expanded.⁵⁵⁵

9 January 2010, trade Minister Simon Crean welcomed the commencement of Australia's largest free trade agreement – the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). “The commencement of this agreement is a major milestone and opens up significant opportunities for

⁵⁵⁰ Siempre vamos a encontrar un camino para que Argentina esté mejor // The official website of the Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON). 5.02.2010. URL: <http://noticias.mecon.gov.ar/wp-content/uploads/2010/03/gacetilla-macro.pdf> (date of access: 16.06.2010).

⁵⁵¹ Boudou eyes national development bank, Business news in brief // Buenos Aires Herald. 21.04.2010. Page 4

⁵⁵² China to electrify both Belgrano rail lines, Business news in brief // Buenos Aires Herald. 21.04.2010. Page 4

⁵⁵³ Australia's current account deficit in a global imbalances context. Phil Garton, Matt Sedgwick and Siddharth Shirodkar // Australian Treasury Government. URL: http://www.treasury.gov.au/documents/1783/PDF/03_Australias_Current_Account_Deficit_in_a_global.pdf (date of access: 02.05.2010).

⁵⁵⁴ IMF Staff Position Note // The Official website of the IMF. 3.11.2009. URL: <http://www.imf.org/external/pubs/ft/spn/2009/spn0925.pdf> (date of access: 5.05.2010).

⁵⁵⁵ Media Release, Another important step in the India relationship – expansion of the trade promotion network // The official website of the Hon Simon Crean MP, Australian Minister for Trade. 26.11.2010. URL: http://www.trademinister.gov.au/releases/2009/sc_091126b.html (date of access: 14.03.2010).

Australian businesses in one of the fastest growing regions in the world,” Crean said in a media release on January 3 when the agreement came into effect⁵⁵⁶. The agreement includes:

The immediate elimination of a 10 per cent tariff on \$9.6 million of Australian processed cheese exports (in 2008) to Malaysia.

The immediate elimination of a 5 per cent tariff on USD7.2 million of exports of fresh grapes to Malaysia.

The immediate elimination of a 3 per cent tariff on USD22 million of wheat exports to the Philippines.

The immediate elimination of a 5 per cent tariff on USD3 million of sheep meat exports to the Philippines.

An immediate expansion from 7 to 36 subject areas that Australian education providers can deliver in Vietnam.⁵⁵⁷

9 and 10 February 2010, the 5th High-level Seminar of Central Banks in the East Asia-Pacific Region and the Euro Area was jointly organised by the European Central Bank and the Reserve Bank of Australia, in cooperation with the Hong Kong Monetary Authority. The Seminar was attended by central bank Governors or their representatives. The purpose of the Seminar was to exchange views on key policy issues of mutual interest and to deepen relationships between the monetary authorities of the two regions. The Governors reviewed economic policies in the aftermath of the financial crisis, including exit strategies, and the shape and structure of global growth. They discussed the challenges posed by cross-border banking and the prospect of strengthening macroprudential supervision. Finally, they discussed the evolution of the international financial architecture⁵⁵⁸.

Government spending is having an impact on demand, holding both residential and non-residential construction at higher levels than would have resulted from private spending alone. This effect will gradually diminish over the next year. At the same time, a large build-up in energy and resource sector investment is under way, prompted by optimism about long-run prospects for resource demand. The terms of trade are rising after last year's sharp fall, as the strength of demand has pushed up key commodity prices. In 2010 they could once again reach a very high level, exceeded in modern times only by the extraordinary level reached in 2008⁵⁵⁹.

24 February 2010, Australian Minister for Trade in his interview discussed the commencement of the fourteenth round of talks between China and Australia to try to conclude a Free Trade Agreement. For that to happen there has to be a development of important industries and services that see the development of that consumer driven-economy - urban development, logistics, infrastructure, retailing, financial services. And that's why in terms of the FTA, as difficult as the issues of agriculture are and still remain, the great opportunities are in services. Clearly the investment equation also is going to be terribly important⁵⁶⁰.

⁵⁵⁶ Halal market news, commentary & analysis. AANZFTA a boon for Asean, modest boost for Brunei. 09.01.2010. URL: http://www.halalfocus.com/artman2/publish/Australia/AANZFTA_a_boon_for_Asean_modest_boost_for_Brunei.shtml (date of access: 17.03.2010).

⁵⁵⁷ Media Release of Trade Minister Simon Crean Australia's Largest Free Trade Agreement Starts // The official website of the Hon Simon Crean MP, Australian Minister for Trade. 03.01.2010. URL: http://www.trademinister.gov.au/releases/2010/sc_100103.html (date of access: 03.03.2010).

⁵⁵⁸ The 5th High-level Seminar of Central Banks in the East Asia-Pacific Region and the Euro Area. // The official website of Reserve Bank of Australia. 10.02.2010. URL: <http://www.rba.gov.au/media-releases/2010/mr-10-03.html> (date of access: 13.03.2010).

⁵⁵⁹ Opening Statement to House of Representatives Standing Committee on Economics of Glenn Stevens // The official website of Reserve Bank of Australia. 19.02.2010. URL: <http://www.rba.gov.au/speeches/2010/sp-gov-190210.html> (date of access: 16.03.2010).

⁵⁶⁰ Interview - Doorstop at Parliament House. Main Topics: FTA with China, trade relationship with China, beef imports // The official website of the Hon Simon Crean MP, Australian Minister for Trade. 24.02.2010. URL: http://www.trademinister.gov.au/transcripts/2010/100224_ds.html (date of access: 13.03.2010).

The Australian Government is totally committed to Doha. But the Australian Government is developing trade relationships on many fronts. There is a complementary relationship between multilateral, regional and bilateral Free Trade Agreements. The ultimate goal is trade liberalisation and economic integration. An example of the benefits of an FTA is the Australia Free Trade Agreement with the United States. When the US introduced its “Buy America” package, it was the US FTA that reinforced the Australian position and cushioned the Australian economy from this attempt to mandate the use of American products⁵⁶¹.

Since end October, the major banks have raised their variable indicator rates on small business lending by around 50 basis points, while indicator rates on 1–5 year fixed-rate facilities have fallen by 5–30 basis points. Variable interest rates on banks’ outstanding large business loans (those greater than \$2 million) are estimated to have increased by an average of 57 basis points since end October to 6.04 per cent. This reflects rising money market rates and a small increase in average risk margins as outstanding loans are gradually reprised at the current higher spreads. The average rate on new lending is estimated to have risen by about 40 basis points. The changing composition of business external funding continued in the December quarter 2009, with declines in business credit offset by increases in non-intermediated debt (largely bond issuance) and new equity raisings. In large part, the decline in business credit over the past year reflects the repayment of bank loans by listed corporates, mostly funded by equity raisings, with companies reducing their leverage. Corporates that continued to raise debt funding during 2009 tended to do so in non-intermediated markets, rather than through banks⁵⁶².

6 April 2010, Australia’s central bank raised its benchmark interest rate at to 4.25 percent and signaled further increases, dismissing warnings that higher borrowing costs are already eroding consumer spending. The decision indicates central bank concerns that inflation and house-price increases will surge without greater monetary restraint, even after retail sales and home construction dropped in February.

3 March 2010, for Australia the IMF forecasts 2.5 percent growth in 2010 and 3 percent growth in 2011. This represents an upward revision from the October 2009 WEO. The revision was prompted by an improved global outlook and better-than-expected domestic performance in recent months, especially in the labor market.⁵⁶³

4 March 2010, Australian and Italian businesses have discussed investment opportunities during a recent high-level Italian business delegation to Australia. In another development, Macquarie Capital, the corporate advisory section of Australia’s Macquarie Group, has signed a Memorandum of Understanding (MOU) with the Italian investment agency, Invitalia, to pro-actively engage in sourcing inward and outward investment opportunities between Italy and Australia⁵⁶⁴.

15 – 19 March 2010, the next round of negotiations of the Australia-Korea FTA commenced in Seoul and the first negotiating round of the Trans-Pacific Partnership (TPP) in Melbourne. The TPP parties are Australia, the United States, New Zealand, Singapore, Chile, Brunei, Peru and Vietnam.

- 3 May 2010, the Department of Foreign Affairs and Trade lodged its submission to the Productivity Commission’s Review of Australia’s Free Trade Agreement’s (FTAs). The Department’s submission discusses in detail the benefits achieved through Australia’s FTAs with ASEAN (together with New Zealand), Chile, New Zealand, Singapore, Thailand and the United States. The submission

⁵⁶¹ “Trade at the centre of the global recovery”. Speech to the Foreign Correspondents’ Association. // The official website of the Hon Simon Crean MP, Australian Minister for Trade. Sydney, 16.02.2010. URL: http://www.trademinister.gov.au/speeches/2010/100216_fca.html (date of access: 4.04.2010).

⁵⁶² Statement on Monetary Policy // the official website of Reserve Bank of Australia. 02.2010. URL: <http://www.rba.gov.au/publications/smp/2010/feb/html/dom-fin-mkts.html> (date of access: 03.05.2010).

⁵⁶³ Recovering from the Global Crisis: Exit Policies and Challenges Ahead. Murilo Portugal, Deputy Managing Director // The official website of IMF. 3.03.2010. URL: <http://www.imf.org/external/np/speeches/2010/030310.htm> (date of access: 13.03.2010).

⁵⁶⁴ Australia and Italy discuss investment opportunities // The official website of the Australian Trade Commission. 04.03.2010. URL: <http://www.austrade.gov.au/Invest/Investor-Updates/100304-Australia-and-Italy-discuss-investment-opportunities/default.aspx> (date of access: 21.03.2010).

also points to the potential of FTAs currently under negotiation: with China, Japan, Malaysia, the Republic of Korea, the Gulf Cooperation Council, and the Trans Pacific Partnership, to deliver significant additional benefits.

Australia didn't promote more balanced current accounts but at the same time vigorously supported open trade and investment to advance global prosperity and growth sustainability. Thus it gets a score of 0.

Analyst: Daria Frolova

Brazil: 0

Brazil has partially complied with its commitment to promote more balanced current accounts and support open trade and investment to advance global prosperity and growth sustainability.

On 30 October 2009 Brazil's government managed oil company Petrobras said that it had concluded a deal with Venezuela's PDVSA to construct and operate a refinery in Pernambuco (northeast Brazil). Petrobras said in a statement to the Brazilian securities regulator that it has concluded negotiations with PDVSA for a joint venture that will construct and operate the 230.000-barrel-per-day Abreu e Lima refinery in Brazil's Pernambuco state. The deal was made by Petrobras' director of gas and energy, Maria das Gracas Foster, during President Lula da Silva visit to Venezuela on 30 October 2009. Petrobras will have a 60% stake in the joint venture while Venezuela will have 40% and each partner will supply 50% of the crude oil for the refinery.

On 26 November 2009 Volkswagen do Brasil said it will invest the equivalent of USD3.5 billion in Brazil between 2010 and 2014 in an attempt to overtake Fiat as the country's number one car and truck retailer. Volkswagen local chief executive, Thomas Schmall, said that the funds would come from European headquarters as well as the subsidiary offices in Brazil. The 2010-2014 budget marks Volkswagen's largest investment ever in Brazil. Brazil has become an important market for European car makers. While car sales have declined in Europe and the US, Brazil car sales continue to rise and will break a record 3 million vehicles in 2009.⁵⁶⁵

Brazilian Minister of External Relations C. Amorim, representing Brazil at the Seventh World Trade Organisation Ministerial Conference, stated at the plenary session of the conference: "Brazil will grant duty-free-quota-free access for products from LDCs covering 80% of all tariff lines. This will increase over four years to cover all tariff lines. We can only hope that the developed countries will follow suit."

On 11 December 2009 the Bilateral Brazilian – Argentina Trade Committee "verified a quicker pace in the approval process for non automatic import licenses which are implemented by both countries, and both sides are committed to continue advancing on that path", according to an official release from negotiators.⁵⁶⁶

On 15 December 2009 Brazil's Senate approved Venezuela incorporation in Mercosur. Bringing to close a year-long internal debate over the role of Venezuela in South American political and economic affairs, Brazil's Senate, by a vote of 35 to 27, voted on 15 December to approve the entrance of the country's northern neighbor into the Mercosur trade bloc. The vote to approve Venezuela's entrance

⁵⁶⁵ Volkswagen plans to invest 3.5 billion USD in next five years // the official website of Mercopress. 27.11.2009. URL: <http://en.mercopress.com/2009/11/27/volkswagen-plans-to-invest-3.5-billion-usd-in-next-five-years> (date of access: 3.03.2010).

⁵⁶⁶ Brazil and Argentina try again to reach an agreement on bilateral trade // the official website of Mercopress. 11.12.2009. URL: <http://en.mercopress.com/2009/12/11/brazil-and-argentina-try-again-to-reach-an-agreement-on-bilateral-trade> (date of access: 3.03.2010).

into the Mercosur bloc was strongly supported by L. da Silva, Brazilian President who submitted the request to congress in 2007.⁵⁶⁷

In March 2010, under a joint project between Brazil's state-owned oil firm Petrobras and China's Sinopec, the construction of Brazil's longest natural gas pipeline was completed.

In addition, China Development Bank has provided a loan of USD10 billion for Brazil to exploit presalt oil. Meanwhile, Brazil also saw bright prospects for investing in China with positive investment returns reported by Brazilian firms such as Empresa Brasileira de Aeronautica (EMBRAER)⁵⁶⁸.

On 16 April 2010 L. da Silva, President of Brazil took place in the summit of BRIC countries (Brazil, Russia, India, and China) held in Brazil. In the joint statement issued during the summit the leaders of BRIC countries especially said: "We stress the importance of the multilateral trading system, embodied in the World Trade Organization, for providing an open, stable, equitable and non discriminatory environment for international trade. In this connection, we commit ourselves and urge all states to resist all forms of trade protectionism and fight disguised restrictions on trade. We concur in the need for a comprehensive and balanced outcome of the Doha Round of multilateral trade talks, in a manner that fulfills its mandate as a "development round."⁵⁶⁹

On 26 April 2010 L. da Silva, Brazilian President called for a free trade agreement between the four-member bloc Mercosur and the Caribbean Community (CARICOM). Speaking at the opening of the First Brazil-CARICOM Summit, L. da Silva, Brazilian President said: "the time is ripe" for a free trade agreement between Mercosur, a bloc consisting of Brazil, Argentina, Paraguay and Uruguay, and CARICOM. L. da Silva, Brazilian President said the Brazil-CARICOM Summit was part of the integration process involving the Latin American and the Caribbean countries.⁵⁷⁰

Brazil didn't promote more balanced current accounts but at the same time vigorously supported open trade and investment to advance global prosperity and growth sustainability. Thus it gets a score of 0.

Analyst: Polina Cherepova

Canada: +1

Canada has fully complied with its commitment to balance current accounts and to promote open trade and investments.

In order to meet its compliance (as G-20 member with external deficit) in the part of supporting private savings and undertake fiscal consolidation while maintaining open markets and strengthening export sectors Canada has undertaken a number of actions.

On 28 December 2009, Jim Flaherty, Minister of Finance, highlighted tax relief measures that helped to benefit Canadians in 2010. "The actions taken by our Government since 2006 will reduce the taxes that Canadians and businesses pay by USD220 billion over 2008–09 and the following five fiscal years."⁵⁷¹

On 1 January 2010, Jim Flaherty, Minister of Finance, reminded Canadians that in 2010 they will have an additional USD5,000 in room for contributions to their Tax-Free Savings Account (TFSA). The

⁵⁶⁷ Mercosur: Finally Brazil's Senate approved Venezuela incorporation // the official website of Mercopress. 16.12.2009. URL: <http://en.mercopress.com/2009/12/16/mercosur-finally-brazils-senate-approved-venezuela-incorporation> (date of access: 13.03.2010).

⁵⁶⁸ Brazil-China ties to have global influence // the official website of Xinhuanet. 13.04.2010. URL: http://news.xinhuanet.com/english2010/china/2010-04/13/c_13249461.htm (date of access: 27.04.2010).

⁵⁶⁹ BRIC Summit Joint Statement, 04.2010 // the official website of Council on Foreign Relations. 15.04.2010. URL: http://www.cfr.org/publication/21927/bric_summit_joint_statement_april_2010.html (date of access: 27.04.2010).

⁵⁷⁰ Brazilian president calls for FTA between Mercosur, CARICOM // the official website of Xinhuanet. 27.04.2010. URL: http://news.xinhuanet.com/english2010/business/2010-04/27/c_13269027.htm (date of access: 27.04.2010).

⁵⁷¹ Government of Canada provides Canadians with Tax relieve measures // the official website of Government of Canada 28.12. 2009. URL: <http://www.fin.gc.ca/n08/09-122-eng.asp> (date of access: 17.02.2010).

TFSA is a flexible savings account that allows Canadians to earn tax-free investment income to more easily meet their savings goals.⁵⁷²

On 10 January 2010, it was announced, that the Canadian current account deficit on transactions with the rest of the world narrowed to USD9.8 billion in the fourth quarter of 2009 (on a seasonally adjusted basis), largely reflecting an energy-led increase in exports of goods.⁵⁷³

On 19 October 2009, Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, met with Ron Kirk, USA Trade Representative, and Gerardo Ruiz Mateos, Mexico's Secretary of Economy, in Texas. In the joint statement released after their meeting, the ministers agreed to further promote trade and business opportunities within the region.⁵⁷⁴

On 4 November 2009, Stockwell Day, Minister of International Trade, signed an agreement on economic cooperation with Ahmad Rashed Al-Haroun, the Minister of Commerce and Industry for Kuwait, in Ottawa.⁵⁷⁵

On 5 November, Lawrence Cannon, Minister of Foreign Affairs, announced Canada's intention to open a new embassy in Doha, Qatar, to further expand Canada-Qatar political and trade relations and to advance a common agenda in the broader Middle East and North Africa (BMENA) region.⁵⁷⁶

On 17 November 2009 Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, introduced legislation to implement the Canada-Jordan free trade agreement (FTA). Upon implementation, the FTA will eliminate tariffs on over 99 percent (by value) of recent Canadian exports to Jordan, directly benefiting Canadian exporters.⁵⁷⁷

On 17 November, Canada and India took the next step toward a comprehensive economic partnership agreement (CEPA), as Stockwell Day, Minister of International Trade, and Shri Anand Sharma, India's Minister of Commerce and Industry, signed papers to establish a joint study group.⁵⁷⁸

On 2 January 2010, Jim Flaherty, Minister of Finance, highlighted the fact that in 2010 Canada will have the lowest overall tax rate on new business investment in the Group of Seven (G7) industrialized countries. In addition Canada is on track to having the lowest statutory corporate income tax rate in the G7 by 2012.⁵⁷⁹

⁵⁷² Tax Free Savings Accounts provide Canadians with More Room to Save in 2010// the official website of Department of Finance Canada 01.01. 2010. <http://www.fin.gc.ca/n10/10-001-eng.asp> (date of access: 14.02.2010).

⁵⁷³ Canada. Current account deficit on transactions with the rest of the world narrows, 10.01. 2010. <http://www.tolerance.ca/Article.aspx?ID=75173&L=en> (date of access: 17.02.2010).

⁵⁷⁴ Canada, U.S. and Mexico Reaffirm Commitment to NAFTA // the official website of Foreign Affairs and International Trade Canada 19.10.2009.URL: http://www.international.gc.ca/media_commerce/comm/news-communiques/2009/311.aspx?lang=eng (date of access: 10.02.2010).

⁵⁷⁵ Minister Day Signs Agreement to Promote Trade Opportunities with Kuwait // the official website of Foreign Affairs and International Trade Canada 4.11. 2009. URL: http://www.international.gc.ca/media_commerce/comm/news-communiques/2009/329.aspx?lang=eng (date of access: 11.02.2010).

⁵⁷⁶ Minister Cannon Announces New Canadian Mission in Qatar //the official website of Foreign Affairs and International Trade Canada 5.11. 2009. URL: <http://www.international.gc.ca/media/aff/news-communiques/2009/331.aspx?lang=eng> (date of access: 11.02.2010).

⁵⁷⁷ Canada Introduces Implementing Legislation for Free Trade Agreement with Jordan // the official website of Foreign Affairs and International Trade Canada 17.11. 2009. URL: http://www.international.gc.ca/media_commerce/comm/news-communiques/2009/347.aspx?lang=eng (date of access: 11.02.2010).

⁵⁷⁸ Canada and India Advance Comprehensive Economic Partnership Agreement // the official website of Foreign Affairs and International Trade Canada 17.11. 2009. URL: http://www.international.gc.ca/media_commerce/comm/news-communiques/2009/348.aspx?lang=eng (date of access: 11.02.2010).

⁵⁷⁹ Canada to Have the Lowest Overall Tax Rate on New Business Investment in the G7 in 2010 // the official website of Department of Finance Canada 2.01. 2010. URL: <http://www.fin.gc.ca/n10/10-002-eng.asp> (date of access: 9.02.2010).

On 18 January 2010, Stockwell Day announced that officials from Canada and the European Union met in Brussels for a second round of negotiations toward a comprehensive economic and trade agreement.⁵⁸⁰

On 9 March 2010, Jim Flaherty, Minister of Finance, and Peter Van Loan, Minister of International Trade, announced measures in Budget 2010 to eliminate all remaining tariffs on manufacturing inputs and machinery and equipment and to provide an additional USD300 million in annual duty savings for Canadian business.⁵⁸¹

Thus Canada is awarded with the score of +1 for both promoting more balanced current accounts and supporting open trade and investment.

Analyst: Julia Ovchinnikova

China +1

China has fully complied with its commitment to balance current account and to promote open trade and investments.

30 October 2009, in Shenzhen ChiNext (China Stock Market) was launched, focusing on smaller high-growth/technology companies.⁵⁸² It will lead to increase of current account, because of foreign investments inflows to Chinese economy and provide new financing channels for innovation-oriented growth enterprises.

28 November 2009, Dr Zhou Xiaochuan, Governor of the People's Bank of China, opened the Shanghai Clearing House. This is a milestone in the development of China's inter-bank market.⁵⁸³ It will lead to increase current account, because of foreign investments inflows in Chinese economy.

12 January 2010, the People's Bank of China announced it would raise the renminbi reserve requirement ratio for large depository financial institutions by 50 basis points.⁵⁸⁴ That way China wants to ensure the health of banks and the economy as a whole. It should lead to increase current account.

13 January 2010, the China Banking Regulatory Commission issued a new rule on capital adequacy: commercial banks should set up a capital adequacy assessment procedure which is based on the complexity of business operations and particular risks the banks face. The rule applies the capital requirement not only to credit risks and operational risks, but also to any other risks related to the strength of a financial institution. The minimum capital adequacy rate has been raised from 8 percent to 11 percent for the large banks, and to 10 percent for small and medium-sized banks.⁵⁸⁵ So it will lead to increase current account, because capital in the economy will rise.

26 February 2010, Chairman of National Development and Reform Commission (NDRC) Zhang Ping, announced the country's fiscal and monetary policies would be tested given the uncertainties of 2010. According to the People's Bank of China (PBOC) (China's central bank) it raised the reserve ratio by

⁵⁸⁰ Second Round of Canada-EU Economic and Trade Negotiations Starts Today // the official website of Foreign Affairs and International Trade Canada 18.01. 2010. URL: http://www.international.gc.ca/media_commerce/comm/news-communiques/2010/026.aspx?lang=eng (date of access: 11.02.2010).

⁵⁸¹ Canada Poised to Become "Tariff-Free Zone" for Manufactures Thanks to Budget 2010 // the official website of Department of Finance Canada 9.02.2010. URL: <http://www.fin.gc.ca/n10/10-019-eng.asp> (date of access: 11.02.2010).

⁵⁸² Shenzhen ChiNext GEM Offline Share Subscriptions Attract 217 Mutual Funds // Blog at WordPress. 30.10.2009. URL: <http://blog.finetik.com/2009/10/30/shenzhen-chinext-gem-offline-share-subscriptions-attract-217-mutual-funds/> (date of access: 30.10.2009).

⁵⁸³ Zhou Xiaochuan: Development of China's inter-bank market // BIS Review. 28.11.2009. URL: <http://www.pdfqueen.com/html/aHR0cDovL3d3dy5iaXMub3JnL3Jldmldy9yMTAwMTIyYi5wZGY=> (date of access: 28.11.2009).

⁵⁸⁴ BIS International banking and financial market developments // BIS Quarterly review.02.2010. http://www.bis.org/publ/qtrpdf/r_qt1003.pdf, <http://www.pbc.gov.cn/english/detail.asp?col=6400&id=1464> (date of access: 28.11.2009).

⁵⁸⁵ China Tightens Capital Requirements // // the official website of Caixin Media Company Ltd. 14.01.2010. URL: <http://english.caing.com/2010-01-14/100108051.html> (date of access: 13.01.2010).

0.5 of a percentage point earlier this month, hoping to reduce lending.⁵⁸⁶ It will stimulate Chinese economy and its current account, because many investors will invest more.

14 March 2010, Paul Krugman stated that China's policy of keeping its currency, the renminbi, undervalued has become a significant drag on global economic recovery, because China was manipulating its currency — selling renminbi and buying foreign currencies, so as to keep the renminbi weak and China's exports artificially competitive. China is adding more than USD30 billion a month to its USD2.4 trillion hoard of reserves. The International Monetary Fund expects China to have a 2010 current surplus of more than USD450 billion — 10 times the 2003 figure.⁵⁸⁷ Revaluation of the RMB would increase China's trade surplus and make China's exports more expensive, the opposite of what the world economy needs as it recovers from the international financial crisis.⁵⁸⁸

22 March 2010, China's premier Wen Jiabao rebutted arguments that the yuan is undervalued and should appreciate, saying other countries should not pressure the country about its exchange rate.⁵⁸⁹

22 March 2010, at the China Development Forum Angel Gurría, OECD Secretary-General, stated “the Chinese real effective exchange rate will inevitably appreciate. It can happen through domestic inflation which may portend social tensions. Alternatively, it could occur through the introduction of a more flexible exchange rate regime that would provide more independence in the conduct of monetary policy, and attenuate the looming inflationary pressures. Both for China and for the rest of the world, the latter is preferable.”⁵⁹⁰

20 March 2010, China imposed anti-dumping measures on imports of polyester staple fibres originating from China, which is on the verge of expiring and is now up for review.⁵⁹¹ It can lead to increase current account as the result of stimulation national export and restrictions of external import.

8 November 2009, at a China-Africa summit in Egypt, Chinese premier Wen Jiabao said that in terms of market access, he promised zero-tariffs for 95% of the products from the least developed African countries that have diplomatic relations with China, starting with 60% of the products next year.⁵⁹²

13 November 2009, at the Asia Pacific Economic Cooperation Chief Executive Officer (APEC CEO) Summit, Hu Jintao, President of the People's Republic of China, said “The international financial crisis has given rise to trade and investment protectionism in various forms. Protectionism will not help any country move out of the crisis”⁵⁹³

1 December 2009, China eliminated import restrictions due to Flu on swine and swine products from Canada.⁵⁹⁴

⁵⁸⁶ China's economic macro-control to be tested in 2010, // Chinese government's official web portal. 26.02.2010. URL: http://www.gov.cn/english/2010-02/26/content_1542364.htm (date of access: 26.02.2010).

⁵⁸⁷ Taking On China // The New York Times. 14.03.2010. URL:

<http://www.nytimes.com/2010/03/15/opinion/15krugman.html?src=me&ref=general> (date of access: 14.03.2010).

⁵⁸⁸ Early RMB revaluation would hurt the world economy // // the official website of the China International Publishing Group. 06.04.2010. URL: http://www.china.org.cn/opinion/2010-04/06/content_19755070_2.htm (date of access: 06.04.2010).

⁵⁸⁹ China's Wen rebuts claims yuan is undervalued // // the official website of Market Watch, Inc. 15.03.2010. URL: <http://www.marketwatch.com/story/chinas-wen-rebuts-claims-yuan-is-undervalued-2010-03-14> (date of access: 15.03.2010).

⁵⁹⁰ The transformation of China's growth pattern in the new global context // The official website of the OECD. 22.03.2010. URL: http://www.oecd.org/document/32/0,3343,en_2649_34487_44848288_1_1_1_1,00.html (date of access: 22.03.2010).

⁵⁹¹ Europe: Review of anti-dumping measures on Chinese PSF imports // the official website of WBIR-TV channel. 10.20.03.2010. URL: <http://sec.wbir.com/article/003deUtgXQgFP?q=China> (date of access: 20.03.2010).

⁵⁹² China doubles aid to Africa // // the official website of The New Vision News Agency. 08.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 08.11.2009).

⁵⁹³ Strengthen Confidence in Cooperation and Revive World Economy // // the official website of Beijing review News Agency. 21.01.2010. URL: http://www.bjreview.com/document/txt/2010-01/21/content_241179.htm (date of access: 21.01.2010).

⁵⁹⁴ Report G20 Trade and investment measures // the official website of the WTO . 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

23 and 30 December 2009, China eliminated import restrictions due to Bird Flu from Chile and Thailand.

1 January 2010, China eliminated export duties on 17 tariff lines including products such as clays, aluminium ores, chemicals, ferro-alloys.⁵⁹⁵

1 January 2010, China reduced interim export duty rates on 21 tariff lines including products such as chemicals and fertilisers.⁵⁹⁶

11 March 2010, the Chinese Premier Wen Jiabao called for more efforts to boost direct financing, develop a multi-tier capital market system and expand the volume of equity and securities financing in a bid to meet diversified demands for investment and financing. Premier Wen said in the launching of ChiNext (China Stock Market) had provided new financing channels for innovation-oriented growth enterprises. It is also significant to the development of China's capital market and the country's drive to shift its economy away from traditional manufacturing towards innovative, higher-value industries.⁵⁹⁷

24 March 2010, China and Afghanistan signed a number of pacts to boost cooperation between the two countries. Chinese President Hu Jintao and visiting Afghan President Hamid Karzai witnessed the signing of the documents on favourable tariffs for Afghan exports, economic and technological cooperation, among others.⁵⁹⁸

Thus China is awarded with the score of +1 for both promoting more balanced current accounts and supporting open trade and investment.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its commitment on Balancing Current Accounts and Promotion of Open Trade and Investment.

Current account deficit in France decreased from 2.3 per cent of GDP in 2008 to 1.5 per cent of GDP in 2009.⁵⁹⁹

On 18 February 2010, Cristine Lagarde, Minister of Economy, Industry, and Employment, announced the new Business Tax Reform.⁶⁰⁰ The objective of this reform is to benefit the “competitiveness of companies investing in France.”⁶⁰¹ The Business Tax removal is effective 1 January 2010, and will reduce the corporate tax burden by EUR12.3 billion in 2010.⁶⁰²

⁵⁹⁵ Report G20 Trade and investment measures // the official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁵⁹⁶ Report G20 Trade and investment measures // the official website of the WTO. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 08.03.2010).

⁵⁹⁷ Backgrounder: Major innovations in improving China's capital market // the official website of Xinhua News Agency. 11.03.2010. URL: <http://www.toocle.com/china-business-news/detail--19621-2010-03-11-Backgrounder:-Major-innovations-in.html> (date of access: 11.03.2010).

⁵⁹⁸ China, Afghanistan forge closer economic ties as new agreements are signed // the official website of XINHUA News Agency. 24.03.2010. URL: http://news.xinhuanet.com/english2010/china/2010-03/24/c_13223397.htm (date of access: 1.06.2010).

⁵⁹⁹ World Economic Outlook.04.2010// the official website of the IMF. URL: www.imf.org/external/pubs/ft/weo/2010/01/pdf/text.pdf. (date of access: 1.06.2010).

⁶⁰⁰ Removal of the Business Tax: Evaluate the Impact of Reform on Your Business // the official website of Ministry of Economy, Industry, and Employment (Paris) 18.02.2010. URL: <http://www.economie.gouv.fr/actus/10/simulateur.html> (date of access: 18.04.2010).

⁶⁰¹ Removal of the Business Tax: Evaluate the Impact of Reform on Your Business, Ministry of Economy, Industry, and Employment (Paris) 18.02.2010. URL: <http://www.economie.gouv.fr/actus/10/simulateur.html> (date of access: 18.04.2010).

⁶⁰² Removal of the Business Tax: Evaluate the Impact of Reform on Your Business, Ministry of Economy, Industry, and Employment (Paris) 18.02.2010. URL: <http://www.economie.gouv.fr/actus/10/simulateur.html> (date of access: 18.04.2010).

On 30 October 2009, the Invest in France Agency (IFA) announced the inauguration of the Brazilian Investors Network in France.⁶⁰³ The IFA noted that “while there are 420 French companies currently active in Brazil, there are only around 30 Brazilian subsidiaries operating in France.”⁶⁰⁴ The Brazilian Investors Network aims to expand Brazilian direct investment in France by advertising incentives such as research and development credits.⁶⁰⁵

On 19 October 2009, the Invest in France Agency announced a new communications plan to be launched in 2010, aimed at encouraging emerging economies, including India, China, and the Gulf Region, to establish foreign direct investment projects in France.⁶⁰⁶

France decreased its current account deficit in 2009 and took measures to promote foreign Investments. Thus it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Germany: +1

Germany has fully complied with the G20 commitment to balance the current accounts and support open trade and investment.

On 2 December 2009 the Federal Finance Minister Wolfgang Schäuble and Federal Economics Minister Rainer Brüderle announced that German banks and savings banks intend to launch emergency programmes to help medium-sized businesses weather the crisis better. This was a successful outcome of the economic talks held at the Federal Chancellery with participation of high-level representatives of the business sector, lenders and the trade unions. The lenders intend to give medium-sized businesses access to the loans they so desperately need. In return, the German government will consider relieving the banks of some of the risks involved in extending these loans, Federal Finance Minister Wolfgang Schäuble announced.⁶⁰⁷

On 17 March 2010 during the budget debate German Chancellor Angela Merkel declared that German Government would finance about one-quarter of the national budget, which totals EUR320 billion, by new debt. This is the highest level of new debt the Federal Republic of Germany has ever seen.⁶⁰⁸

On 11 March 2010 Chancellor Angela Merkel and the then Netherlands' Prime Minister Jan Peter Balkenende during their meeting discussed the options for economic recovery. The proposed option was balancing the budgets by the EU national governments. Both heads of government expressed their support for the establishment of a European Monetary Fund.⁶⁰⁹

⁶⁰³ Inauguration of a “Brazilian Investors Network” in France // the official web site of the Invest in France Agency (Paris) 30.10.2009. URL: http://www.invest-in-france.org/uploads/files-en/09-11-10_143956_CP_clubBresil_oct09_en.pdf (date of access: 19.12. 2009).

⁶⁰⁴ Inauguration of a “Brazilian Investors Network” in France// the official web site of the Invest in France Agency (Paris) 30.10.2009. URL: http://www.invest-in-france.org/uploads/files-en/09-11-10_143956_CP_clubBresil_oct09_en.pdf (date of access: 19.12. 2009).

⁶⁰⁵ Inauguration of a “Brazilian Investors Network” in France // the official web site of the Invest in France Agency (Paris) 30.10.2009. URL: http://www.invest-in-france.org/uploads/files-en/09-11-10_143956_CP_clubBresil_oct09_en.pdf (date of access: 19.12. 2009).

⁶⁰⁶ The IFA Launches a New Communications Plan// the official web site of the Invest in France Agency (Paris) 19.10.2009. URL: http://www.invest-in-france.org/uploads/files-fr/09-10-20_110539_CP_Plan09_2_.pdf (date of access: 19.12. 2009).

⁶⁰⁷ Easier access to credit in sight// the official web site of the German Government. 02.12.2009. URL: http://www.bundesregierung.de/nn_6516/Content/EN/Artikel/2009/12/2009-12-02-konjunkturgespraech_en.html (date of access: 29.05. 2010).

⁶⁰⁸ Let's get to work with courage// the official web site of the German Government. 17.03.2010. URL: http://www.bundesregierung.de/nn_6538/Content/EN/Artikel/2010/03/2010-03-17-generaldebatte-kanzlerin_en.html (date of access: 29.05. 2010).

⁶⁰⁹ Support grows for the European Monetary Fund// the official web site of the German Government. 11.03.10. URL: http://www.bundesregierung.de/nn_6562/Content/EN/Artikel/2010/03/2010-03-11-bk-besuch-niederlande_en.html (date of access: 29.05. 2010).

On Federal Economics Minister Rainer Brüderle rejected all forms of protectionist obstacles to free trade and declared that German foreign trade policy emphasis open markets and free global trade as its main priorities.⁶¹⁰

At present, foreign trade is providing a positive stimulus to the economy. According to the Report on economic situation in the Federal Republic of Germany issued in April 2010, both imports and exports continue to show clear upward trends with a solid rise of 5.1% in export for the fourth quarter (in seasonally adjusted terms) in February 2010. Given the broad-based forecasts that the global economy will improve, and in light of the ongoing strong export expectations of the manufacturing industry, Germany's foreign trade is expected to continue its positive development.⁶¹¹

The German Government has promoted more balanced current accounts and contributed to the increase in investments. Thus, Germany is awarded a score of +1.

Analyst: Yuriy Zaytsev

India: +1

India has fully complied with its commitment to promote more balanced current accounts and support open trade and investment to advance global prosperity and growth sustainability, while actively rejecting protectionist measures.

On 12 January, Shri Anand Sharma, Indian Minister of Commerce and Industry announced a series of new incentives for exporters. These were as follows:

- 215 new products were added to Focus Product Scheme and 1837 new products and some new markets were added to Market Linked Focus Product Scheme (MLFPS) according to which exporters had benefits at 2-5% of FOB value of exports to all markets;
- Two new major markets viz. China and Japan were added under MLFPS.
- Reduced rate of interest for Dollar credit at LIBOR plus 1% (instead of LIBOR plus 3.5%);
- Continuation of Interest Subvention of 2% provided to labor incentive sectors;
- Providing interest subvention of 2% to some additional sectors.⁶¹²

Thus India has adopted significant measures to increase export and to promote more balanced current accounts.

U.S. Trade Representative Ron Kirk and Indian Minister of Industry and Commerce Anand Sharma opened discussions on a "United States – India Framework for Cooperation on Trade and Investment" during the Trade Policy Forum on 26 October 2009 in New Delhi. Work under this Framework would encourage the expansion of bilateral trade and investment opportunities, including for small and medium sized businesses.⁶¹³

⁶¹⁰ Strong exports are good for everyone// the official web site of the German Government. 23.03.2010. URL: http://www.bundesregierung.de/nn_6538/Content/EN/Artikel/2010/03/2010-03-22-aussenwirtschaftsinitiative_en.html (date of access: 29.05. 2010).

⁶¹¹ The Economic Situation in the Federal Republic of Germany in.04.2010// the official web site of the Germany's Ministry of Economics and Technology.20.04.2010. URL: <http://www.bmwi.de/English/Navigation/Press/press-releases.did=339608.html> (date of access: 29.05. 2010).

⁶¹² Anand Sharma announces new incentives for exporters // The official website of the Department of Commerce of the Indian Ministry of Commerce & Industry. 12.01. 2010. URL: http://commerce.nic.in/PressRelease/pressrelease_detail.asp?id=2524 (date of access: 20.04.2010).

⁶¹³ Fact Sheet - Stimulating Global Economic Revival U.S. – India Cooperation in Economics, Trade, and Agriculture // Press information bureau of The Government of India. 24.11. 2009. URL: <http://pib.nic.in/release/release.asp?relid=54634&kwid=> (date of access: 13.02.2010).

India sought to make its foreign investment regulations more accessible to investors by consolidating into one document all FDI regulations. On 24 December 2009, Indian Ministry of Commerce and Industry published draft version of FDI regulatory framework.⁶¹⁴

Thus India has undertaken considerable steps to increase export volume and this measures can help India to achieve more balanced accounts. Also India has endeavoured to improve its investment climate. So India has been awarded a score of +1 for implementation of this commitment.

Analyst: Igor Churkin

Indonesia: 0

Indonesia partly complied with the commitment to promote more balanced current accounts and support open trade and investment to advance global prosperity and growth sustainability.

According to the data provided by Central Bank of Republic of Indonesia, the current account in Q4/2009 recorded a more robust USD3.4 billion surplus compared to USD2.2 billion in Q3/2009. But this improvement was explained mainly by buoyant exports driven by the ongoing recovery in the global economy and rising prices of some main export commodities.

For the whole 2009, the current account surplus reached USD10.6 billion.⁶¹⁵

In Q1/2010, the current account registered a USD1.6 billion surplus.⁶¹⁶

The single identity system for investors is targeted to be ready in the end of 2010 in Indonesia.

In the end of 2009, the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) bureau chief for transactions and securities institutions, Nurhaida, said that the single identity system is destined to be the beginning of the integrated stock market system establishment.

Besides a single identity system, the authority has formed an investor area which is a facility provided by the regulatory accounts. About 7000 investors have joined the investor area at the beginning of December 2009.⁶¹⁷

The Government of Indonesia announced plan to remove exit or entrance fee for commodities in Batam, Bintan, and Karimun Free Trade Zone as part of the plan to revise the trade regulation in the area.

“We will remove the (free trade) barrier in Batam especially the double taxation,” Coordinating Minister for the Economy, Hatta Radjasa, said after the Investment Award ceremony at the Investment Coordinating Board's office on 9 December 2009.

Vice Chairman of the Riau Island Regional Chamber of Commerce, Abdoellah Gosse, welcomed the announcement and urged to the government to follow the plan with bureaucracy reform and simplify permit mechanism under one agency.⁶¹⁸

⁶¹⁴ FDI regulatory framework // The official website of the Indian Ministry of Commerce and Industry. 24.12. 2009. URL: http://dipp.nic.in/FDI_MANUALS/FDIREGULATORY_FRAMEWORK_24DECEMBER2009.PDF (date of access: 13.02.2010).

⁶¹⁵ Indonesia's Balance of Payments Registered US\$4.0 Billion Surplus in Q4/2009 // The official website of Central Bank of Republic of Indonesia. 17.02.2010. URL: <http://www.bi.go.id/web/en/Publikasi/Investor+Relation+Unit/Government+Press+Release/BOP+Q4.htm> (date of access: 15.05.2010).

⁶¹⁶ Indonesia Q1/2010 Balance of Payments Posts US\$6.6 Billion Surplus // The official website of Central Bank of Republic of Indonesia. 14.05.2010. URL: <http://www.bi.go.id/web/en/Publikasi/Investor+Relation+Unit/Government+Press+Release/BOP.htm> (date of access: 15.05.2010).

⁶¹⁷ Single Identity System Ready for Next Year // The official website of TEMPO Interactive. 03.12.2009. URL: <http://www.tempointeractive.com/hg/nasional/2009/12/03/brk,20091203-211715.uk.html> (date of access: 12.12.2009).

⁶¹⁸ Government to Remove Some Taxes From Riau Trade Zone // The official website of TEMPO Interactive. 10.12.2009. URL: <http://www.tempointeractive.com/hg/nasional/2009/12/10/brk,20091210-212987.uk.html> (date of access: 12.12.2009).

As Indonesia partially complies with the second part of the commitment by taking steps to promote investment, the country gets a mark 0.

Analyst: Maria Tyurikova

Italy: 0

Italy has partially complied with the commitment to promote more balanced current accounts and support open trade and investment to advance global prosperity and growth sustainability.

Italy is a country with sustained external deficit in current accounts.⁶¹⁹

On 23 December 2009, the Treasury Department of Italian Ministry for Economy and Finance has published the Guidelines for public debt management 2010 including emission programmes for securities and foreign currency.⁶²⁰

On 7 October 2009, the Italian Minister for Economic Development Claudio Scajola at the meeting with Algerian counterpart Abdelhamid Temmar has declared the relaunch of the industrial and investment partnership with Algeria. The negotiations were focused on the activity of the recently founded ministerial task-force for industrial collaboration. The task-force has proposed a protocol for industrial collaboration and investment promotion which would be signed at the next intergovernmental meeting.⁶²¹

On 26 October 2009, Italy established a scheme (in the legal basis of the President Decree from 3 June 2009⁶²²) that allows subsidies on interest rates for investment loans for producers of car components related to an early adaptation to or overachievement of EU environmental standards.⁶²³ The aid targets the automotive industry, affected by crisis-related difficulties to access capital and declining sales, and supports specifically development and production of components that will be competitive in the future. The scheme, budgeted of up to EUR300 million, is open to companies of all sizes, and over 1,000 undertakings are expected to benefit directly from the scheme. Interest rate subsidies under this scheme may not be granted after 31 December 2010. The scheme will be administered by the Ministry for Economic Development, but other levels of the public administration may be involved in the scheme's administration at a later stage.⁶²⁴

On 28 October 2009, the Ministry for Economic Development has signed 22 "Agreements of Free Urban Zone" with 23 mayors to encourage economic and social development of the weak urban areas.⁶²⁵ On 17 December 2009, the modifications of norms for Free Urban Zone (Zone Franche

⁶¹⁹ Bilancia dei pagamenti // The official website of the Bank of Italy. 06.08.2008. URL: http://www.bancaditalia.it/pubblicazioni/relann/rel07/rel07it/appendice/app07_12_bilancia_pagamenti.pdf (date of access: 30.04.2010) and Italy – Balance of payments in.12. 2009 // The official website of the Bank of Italy. 17.02.2009. URL: http://www.bancaditalia.it/statistiche/SDDS/stat_rapp_est/bilancia_pag/bilpag_12_09/en_bilancia_pagamenti_dic_09.pdf (date of access: 10.03.2010).

⁶²⁰ Linee guida della gestione del debito pubblico // The official website of the Ministry of Economy and Finance. 23.12.2009. URL: http://www.dt.tesoro.it/export/sites/sitodt/modules/documenti_it/debito_pubblico/presentazioni_studi_relazioni/Linee_Guida_della_Gestione_del_Debito_Pubblico_2010.pdf (date of access: 30.04.2010).

⁶²¹ Algeria: Scajola rilancia partenariato industriale ed investimenti // The official website of the Ministry for Economic Development. 07.10.2009. URL: http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=439 (date of access: 30.04.2010).

⁶²² Decreto del Presidente del Consiglio dei Ministri del 3 giugno 2009 // The official website of The Italian Government. 03.07.2009. URL: http://www.governo.it/GovernoInforma/Dossier/aiuti_stato/DPCM.pdf (date of access: 10.03.2010).

⁶²³ State Aid N 542/2009 – Italy. Aid for the production of green products // The official website of the European Commission. 26.10.2009. URL: http://ec.europa.eu/community_law/state_aids/comp-2009/n542-09.pdf (date of access: 10.03.2010).

⁶²⁴ Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The official website of The World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

⁶²⁵ Pmi: Scajola, via libera alle 22 Zone Franche Urbane // The official website of the Ministry for Economic Development. 28.10.2009. URL:

Urbane⁶²⁶), simplifying the procedures, have been approved by the Council of Ministers.⁶²⁷ On 22 December 2009, the Ministry for Economic development has allocated EUR50 million for 23 Free Urban Zone.⁶²⁸

On 16 December 2009, Italy discontinued implementation of its guarantee scheme for the financial sector after its scheduled expiry. The scheme, initially introduced in late 2008 (by the Decree-law No 155⁶²⁹ on "Urgent measures to guarantee the stability of the credit system and the continued availability of credit to enterprises and consumers in the current crisis on international financial markets" from 9 October 2008, and by the Decree-Law No 157⁶³⁰ on "Further urgent measures to guarantee the stability of the credit system" from 13 October 2008) and prolonged for six months in June 2009⁶³¹, consisted of three components: a state guarantee on banks' liabilities; swaps between state securities and liabilities of Italian banks; and a state guarantee in favour of non-banking institutions willing to lend high quality bonds to Italian banks for refinancing operations with the Eurosystem. Solvent Italian banks, including subsidiaries of foreign banks incorporated in Italy, were eligible for the measures.⁶³²

On 16 December 2009, the Ministry of Foreign Affairs and the Embassy of the United States exchanged respective instruments for ratification of a convention between Italy and the USA to avoid double taxation on income and to prevent tax fraud that will enter into effect on 1 January 2010. The convention is an instrument meant to promote the increase flow of mutual investments and facilitates relations between the tax systems of the two nations and ensure greater transparency in operations. The new norms envisage limitations on the taxation of direct investments, on some kinds of interest and regulations regarding copyright and the use of software and industrial, commercial and scientific equipment. Also introduced is a favorable tax regime for all types of income from work or pensions.⁶³³

On 31 December 2009, Italy discontinued implementation of its recapitalisation scheme for banks⁶³⁴ introduced on 28 November 2008 by the article 12 of Decree-Law No 185⁶³⁵). The scheme had been

http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=466 (date of access: 29.04.2010).

⁶²⁶ Zone Franche Urbane. Cosa sono e il loro stato di attivazione // The official website of the Ministry for Economic Development. URL: http://www.dps.tesoro.it/zone_franche_urbane/ZFU_cosa_sono.asp (date of access: 30.04.2010).

⁶²⁷ Pmi: Mse, semplificata normativa per Zone Franche Urbane // The official website of the Ministry for Economic Development. 17.12.2009. URL:

http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=536 (date of access: 29.04.2010).

⁶²⁸ Pmi: Mse, resi disponibili i Fondi per le Zone Franche Urbane // The official website of the Ministry for Economic Development. 22.12.2009. URL:

http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=549 (date of access: 29.04.2010).

⁶²⁹ Decreto-Legge 9 ottobre 2008, n. 155 // The official website of the Italian Government. 09.10.2008. URL: <http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=40576> (date of access: 10.03.2010).

⁶³⁰ Decreto-Legge 13 ottobre 2008, n. 157 // The official website of the Italian Government. 13.10.2008. URL: http://www.governo.it/Governo/Provvedimenti/testo_int.asp?d=40616 (date of access: 10.03.2010).

⁶³¹ State Aid N328/2009 – Italy. Prolongation of the Italian Guarantee Scheme // The official website of the European Commission. 16.06.2009. URL: http://ec.europa.eu/competition/state_aid/register/ii/doc/N-328-2009-WLWL-EN-16.06.2009.pdf (date of access: 10.03.2010).

⁶³² Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The official website of the World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

⁶³³ Ratification of Italy-US convention on avoiding double-taxation

// The official website of the Ministry of Foreign Affairs. 16.12.2009. URL:

http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2009/12/20091216_RatificaConvenzione.htm?LANG=EN (date of access: 23.04.2010).

⁶³⁴ State Aid N 648/2008, Italy. Recapitalization measures in favour of the financial sector in Italy // The official website of the European Commission. 23.12.2008. URL: http://ec.europa.eu/competition/state_aid/register/ii/doc/N-648-2008-WLWL-en-23.12.2008.pdf (date of access: 10.03.2010).

extended and slightly modified twice in February⁶³⁶ and October 2009⁶³⁷. The scheme had authorised the injection of capital into banks incorporated under Italian law, including subsidiaries of foreign banks. A later modification encouraged an early redemption. The Ministry of Economy and Finance administered the scheme and the Bank of Italy was involved in the evaluation of applicant institutions. The scheme had been used once in the first six months, and four applications were being processed in October 2009.⁶³⁸

On 11 February 2010, the Ministry for Economic Development has organized in Verona, Italy, the Forum of the East Europe countries “Italy & South Eastern Europe Investment Forum”. 11 Balkan countries and 400 Italian companies have participated in the Forum.⁶³⁹

On 25-26 February 2010 the Second Economic Forum of Mediterranean has taken place in Rome. It was an opportunity for Italy to enhance its role as crossroads of socio-economic development of the Mediterranean Basin and to intensify the opportunity of industrial and investment development for Italian companies, for the relaunch of the export of the South of the country in particular.⁶⁴⁰

On 18 March 2010, the Company for Italian Investment Fund Governance was founded with the participation of the Treasury Department.⁶⁴¹ The Fund is targeted on Italian companies in development phase and with ambitions to grow domestically and abroad with a turnover of EUR10-100 million. The first investments will take place from September 2010.⁶⁴²

Thus, Italy has been awarded a score 0 for applying measures to stimulate trade and investment, participation in regional economic integration processes, promotion of special free zones.

Analyst: Anna Vekshina

Japan: +1.

Japan has fully complied with its commitment on balancing current accounts and promotion of open trade and investment.

In recent years, growth in overseas economies was a major source for domestic growth in Japan. Specifically, Japan's expansion was driven by the growth in exports. Meanwhile, domestic private demand remained weak due to the change in the consumption structure associated with the further

⁶³⁵ Decreto-Legge: Misure urgent per il sostegno a famiglie, lavoro, occupazione, e impresa e per ridisegnare in funzione anticrisi il quadro strategico internazionale // The official website of the Italian Government. 28.11.2008. URL: <http://www.governo.it/Governo/Provvedimenti/dettaglio.asp?d=41206> (date of access: 10.03.2010).

⁶³⁶ State Aid N 97/2009/Italy. Modification to the recapitalization measures in favour of the financial sector in Italy // The official website of the European Commission. 20.02.2009. URL: http://ec.europa.eu/competition/state_aid/register/ii/doc/N-97-2009-WLWL-en-20.02.2009.pdf (date of access: 10.03.2010).

⁶³⁷ State Aid N 466/2009 – Italy. Prolongation of the recapitalization scheme // The official website of the European Commission. 06.10.2009. URL: http://ec.europa.eu/competition/state_aid/register/ii/doc/N-466-2009-WLWL-en-06.10.2009.pdf (date of access: 10.03.2010).

⁶³⁸ Report on G20. Trade and Investment measures (September 2009 to 02.2010) // The official website of the World Trade Organization. 08.03.2010. URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 10.03.2010).

⁶³⁹ A Verona il Forum dei Paesi dell'Est Europa. Scajola, nei Balcani 50mila nostre aziende // The official website of the Ministry for Economic Development. 11.02.2010. URL: http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=603 (30.04.2010).

⁶⁴⁰ 25-26 febbraio: II Forum Economico del Mediterraneo // The official website of the Ministry for Economic development. 25.02.2010. URL: http://www.sviluppoeconomico.gov.it/primopiano/dettaglio_primopiano.php?sezione=primopiano&tema_dir=tema2&id_primopiano=605 (date of access: 30.04.2010).

⁶⁴¹ Fondo Italiano di Investimento SGR // The official website of the Treasury Department of the Ministry of Economy and Finance. 18.03.2010. URL: <http://www.dt.tesoro.it/it/fondosgr.html> (date of access: 30.04.2010).

⁶⁴² Fondo Italiano d'Investimento, costituzione della SGR // The official website of the Treasury Department of the Ministry of Economy and Finance. 18.03.2010. URL: http://www.dt.tesoro.it/export/sites/sitodt/modules/documenti_it/documentiHp/Presentazione_Fondo_Italiano_di_Investime nto_-_SGR.pdf (date of access: 30.04.2010).

aging of the population, the low employment growth reflecting the transfer of production bases overseas, and the ensuing sluggish growth in household income.⁶⁴³ Japan's current account surplus have been changing, and more than 70 percent of Japan's current account surplus now comes from the receipt of net factor income from abroad. Hence, to reach a more balanced current account Japan needs to address the aforementioned weaknesses to strengthen domestic sources of growth and encourage domestic investment.

On 24 December 2009, Governor of the Bank of Japan Masaaki Shirakawa in his speech to the Board of Councilors of Nippon Keidanren (Japan Business Federation) stressed, that one of the challenges is to develop various safety nets. "In order for the economy to grow in a sustainable manner, it is essential to have sustainable expansion of private consumption. In order to lay the foundations for this, and to allow individuals to take the initiative in various fields, it is essential to enhance households' sense of security about their future lives by providing various safety nets."⁶⁴⁴

On 25 December 2009, in the highlights of the Budget for FY2010 Hatoyama administration announced some policy which is expected to boost domestic demand in Japan, such as subsidies for children, free public high school tuition, etc.⁶⁴⁵

On 30 December 2009, a cabinet decision "On the New Growth Strategy (Basic Policies)" was issued by the Cabinet Office. It outlines a set of measures in six strategic areas to achieve long-term growth. The New Growth Strategy is primarily aimed at creating new domestic demand and employment, which will automatically lead to a healthier current account. By promoting such domestic-oriented industries as environment-related activities and health-related services, the Cabinet is planning to create over JPY 95 trillion in new markets and 4.2 million new jobs by 2020. Substantive employment package for women, youth, and elderly people, together with developing a "trampoline□style" safety net will also support the capacity for growth.⁶⁴⁶

However, Japan's policymakers admit that domestic demand and external demand are two equally important elements for growth, and actively support open trade and investment.

On 1 October 2009 the Agreement on Free Trade and Economic Partnership between Japan and the Socialist Republic of Viet Nam entered into force. The Agreement is aimed at enhancing the economic partnership between the two countries with a wide range of provisions including the liberalization and facilitation of trade of goods and intellectual property protection.⁶⁴⁷

On 27 October 2009, the first Japan and Australia Trade and Economic Ministerial Dialogue was held in Tokyo. In this meeting, the two countries discussed a wide range of issues, and reaffirmed their commitment to working towards a comprehensive and mutually-beneficial Free Trade Agreement / Economic Partnership Agreement as a key part of the strong bilateral relationship.⁶⁴⁸

⁶⁴³ Recent Economic and Financial Developments and the Conduct of Monetary Policy// The official website of the Bank of Japan 21.10.2009. URL: <http://www.boj.or.jp/en/type/press/koen07/ko0910b.htm> (date of access: 13.02.2010).

⁶⁴⁴ Japan's Economy in 2009: Review of the Year and Challenges Ahead// The official website of the Bank of Japan 24.12.2009. URL: <http://www.boj.or.jp/en/type/press/koen07/data/ko0912d.pdf> (date of access: 13.02.2010).

⁶⁴⁵ Highlights of the Budget for FY2010// The official website of the Ministry of Finance of Japan 25.12.2009. URL: <http://www.boj.or.jp/en/type/press/koen07/data/ko0912d.pdf> (date of access: 9.02.2010).

⁶⁴⁶ The New Growth Strategy (Basic Policies) Toward a Radiant Japan// The official website of the Cabinet Office 30.12.2009. URL: http://www.kantei.go.jp/foreign/topics/2009/1230sinseichousenryaku_e.pdf (date of access: 11.04.2010).

⁶⁴⁷ Entering into force of the Agreement on Free Trade and Economic Partnership between Japan and the Socialist Republic of Viet Nam// The official website of the Ministry of Economy, Trade and Industry of Japan 1.10.2009. URL: http://www.meti.go.jp/english/press/data/20091001_01.html (date of access: 8.02.2010).

⁶⁴⁸ Results of the first Japan and Australia Trade and Economic Ministerial Dialogue// The official website of the Ministry of Economy, Trade and Industry of Japan 27.10.2009. http://www.meti.go.jp/english/press/data/20091027_02.html (date of access: 8.02.2010).

On 9 November 2009, Japan Bank for International Cooperation held “India Investment Seminar”, which brought together representatives from the Indian government and public firms and Japanese companies. The seminar was intended to deepen investment relations between the two countries.⁶⁴⁹

On 10 November 2009, the Exchange of Diplomatic Notes concerning the Entry into Force of the Japan-Peru Investment Agreement took place. The signing of this Agreement, which provides for the high-level liberalization and protection of investment, is expected to improve the investment environment in Peru and increase business opportunities for Japanese companies there.⁶⁵⁰

On 1 December 2009, the Japan-ASEAN Comprehensive Economic Partnership (AJCEP) Agreement entered into force with respect to Cambodia. The AJCEP Agreement is Japan’s first multilateral economic partnership agreement (EPA) and is aimed at strengthening the economic partnership between Japan and ASEAN as a whole.⁶⁵¹

On 7-8 December 2009, the First session of the Japan-Arab Economic Forum was held in Tokyo. The aim of the Forum is to enhance and develop mutual economic, trade, and financial co-operation between the members of the League of Arab States (LAS) and Japan, through the promotion of trade and investment and co-operation in the fields of energy, environment and sustainable development, scientific research and technology, and human resources development.⁶⁵²

From 24 January to 2 February 2010 the Ministry of Foreign Affairs conducted a public-private joint study tour for promoting trade and investment to Africa. The aim of this study tour is to provide reference information to Japanese companies for discovering concrete projects that can benefit both the public and private sector.⁶⁵³

On 17 February 2010, Japan signed the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income with the State of Kuwait. It is expected that the Convention will further strengthen the economic relations between the two countries.⁶⁵⁴

On 26 March 2010, at the press-conference the Prime Minister Yukio Hatoyama promised to take a more strategic approach to promoting free trade in the form of economic partnership and free trade agreements with Eastern Asia countries and remove non-tariff barriers as swiftly as possible.⁶⁵⁵

On 1 April 2010, the Ministry of Economy, Trade and Industry published “2010 Report on Compliance by Major Trading Partners with Trade Agreements – WTO, FTA/EPAs, and BITs” and “METI Priorities Based on the Report”. In the report the METI reviewed the clear violations of trade agreements by foreign governments (e.g. China, Asian territories and countries, the United States, the

⁶⁴⁹ India Investment Seminar// The official website of the Japan Bank for International Cooperation 25.12. 2009. URL: <http://www.jbic.go.jp/en/about/topics/2009/1225-01/index.html> (date of access: 5.04.2010).

⁶⁵⁰ Exchange of Diplomatic Notes Concerning the Entry into Force of the Japan-Peru Investment Agreement// The official website of the Ministry of Economy, Trade and Industry of Japan 10.11. 2009. (date of access: 8.02.2010).

⁶⁵¹ Cambodia's notification of the entry into force of the Japan-ASEAN Comprehensive Economic Partnership (AJCEP) Agreement// The official website of the Ministry of Economy, Trade and Industry of Japan 1.12. 2009. URL: http://www.meti.go.jp/english/press/data/20091130_01.html (date of access: 8.02.2010).

⁶⁵² The First Japan-Arab Economic Forum for trade promotion and cooperation will be Held on Dec. 7-8// The official website of the Ministry of Economy, Trade and Industry of Japan 2.12. 2009. URL: http://www.meti.go.jp/english/press/data/20091202_01.html (date of access: 8.02.2010).

⁶⁵³ The Public - Private Joint Study Tour for Promoting Trade and Investment to Africa// The official website of the Ministry of Foreign Affairs of Japan 22.01. 2010. URL: http://www.mofa.go.jp/announce/event/2010/1/0122_01.html (date of access: 14.02.2010).

⁶⁵⁴ Signing of the Convention between Japan and the State of Kuwait for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income// The official website of the Ministry of Foreign Affairs of Japan 17.02.2010. URL: http://www.mofa.go.jp/announce/announce/2010/2/0217_01.html (date of access: 14.02.2010).

⁶⁵⁵ Press Conference by Prime Minister Yukio Hatoyama// The official website of the Prime Minister of Japan 26.02.2010. URL: http://www.kantei.go.jp/foreign/hatoyama/statement/201003/26kaiken_e.html (date of access: 20.04.2010).

European Union, Russia, etc.) in 2009 and earlier, and expressed an intention to continue to work with these countries towards more open trade policy regime consistent with WTO and other agreement.⁶⁵⁶

Thus, Japan receives a score of +1 for its actions towards a more balanced current account and promotion of open trade and investment both domestically and abroad.

Analyst: Ekaterina Maslovskaya

Republic of Korea: +1

The Republic of Korea has fully complied with its commitment on balancing current accounts and promotion of open trade and investment.

On 19 November 2009, the Financial Services Commission announced a complex of measures, including control over foreign exchange liquidity to make the banking system less vulnerable to the capital flight seen during the financial crisis. “Exporters’ excessive FX hedging boosted short-term foreign currency debts worsening the credit crisis last year. As the economy heavily relies on external factors, we may face the same situation if we experience another crisis,” said Jeong My-young, a currency strategist at Samsung Futures. “The authorities are showing their determination to minimise the potential impact from hedging practices,” she added. The steps are expected to weaken bets for a firmer won (KRW) as exporters will be less aggressive in buying the local currency, traders said. As a result the won enjoyed a slight depreciation.⁶⁵⁷

In January 2010, South Korea’s exports rose at the fastest pace in more than 20 years as the recovery of the global economy spurred demand for the nation’s cars, televisions and mobile phones. Overseas shipments increased 47.1 percent from a year earlier to USD31.1 billion, the Ministry of Knowledge Economy said, less than the median estimate in a Bloomberg survey for a 55 percent gain. Imports climbed 26.7 percent to USD31.6 billion for a trade deficit of USD470 million, the first since January 2009.⁶⁵⁸

In February 2010, South Korea’s exports rose for a fourth month in February as a pickup in the world economy spurred demand for the nation’s semiconductors, cars and flat-panel displays. Overseas shipments increased 31 percent from a year earlier to USD33.3 billion, the Ministry of Knowledge Economy said in Gwacheon on 1 March 2010. The median estimate in a Bloomberg News survey of 11 economists was for a 25 percent gain. Imports climbed 36.9 percent to USD30.9 billion, for a trade surplus of USD2.3 billion. South Korea’s exports declined from November 2008 to October 2009 as the global financial crisis cut demand, providing a low base for comparison. Economic growth in China, the biggest buyer of South Korean products, rose 10.7 percent in the fourth quarter, the fastest pace since 2007. Exports will increase 13.2 percent in 2010, compared with a 13.9 percent decline in 2009, the government forecast in December. The Knowledge Economy Ministry estimated that the nation is likely to post an annual trade surplus of USD20 billion.⁶⁵⁹

In February 2010, South Korea’s current account swung back to surplus. The current-account surplus was USD158 million in February, compared with a revised USD631 million deficit a month earlier, the Bank of Korea said in Seoul. South Korea’s economy has been showing mixed signs: growth slowed in the fourth quarter, unemployment surged in January before declining in February, exports

⁶⁵⁶ 2010 Report on Compliance by Major Trading Partners with Trade Agreements – WTO, FTA/EPAs, and BITs” and “METI Priorities Based on the Report, The official website of the Ministry of Economy, Trade and Industry of Japan 1.04.2010. http://www.meti.go.jp/english/press/data/pdf/20100401_01a.pdf (date of access: 10.04.2010).

⁶⁵⁷ S.Korea restricts trading in FX forwards // The official website of the Reuters. 19.11.2009. URL: <http://blogs.reuters.com/financial-regulatory-forum/2009/11/19/skorea-restricts-trading-in-fx-forwards/> (date of access: 10.04.2010).

⁶⁵⁸ South Korean Exports Rise at Fastest Pace in 20 Years // The official website of the Bloomberg. 1.02.2010. URL: http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aHb7RF_HMsDM (date of access: 10.04.2010).

⁶⁵⁹ South Korea Exports Rose for Fourth Month in 02. // The official website of the Bloomberg. 1.02.2010. URL: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=ahnWhKDX34po> (date of access: 10.04.2010).

have risen for four months and manufacturers' confidence is at a seven-year high. The central bank kept interest rates unchanged at a record-low 2 percent to help support the recovery.⁶⁶⁰

On 9 April 2010, The Bank of Korea kept the benchmark seven-day repurchase rate at record low 2% for 15 months already.⁶⁶¹

In 2009, South Korea's National Pension Service, the nation's biggest investor, increased returns after stocks bought during the global credit crisis gained. The fund posted a 10 percent return on assets in 2009, South Korea's welfare ministry, which oversees the pension fund, said in an e-mailed statement on 15 February 2010. It had a loss of 0.2 percent in 2008. "Our profit from shares bought for a good bargain during the crisis was the main factor," the ministry said. National Pension had 278 trillion won (\$241 billion) of assets at the end of 2009. South Korea's benchmark Kospi stock index rose 50 percent in 2009, the most since 2005, amid optimism the government's stimulus measures and interest-rate cuts will bolster the economy. The equities rebounded from a 41 percent plunge in 2008. The pension fund had 13.1 percent of its assets in domestic stocks as of the end of 2009, while overseas equity investments accounted for 4.8 percent, according to the statement. National Pension had 73.9 percent of its assets in domestic bonds, the welfare ministry said. The state fund plans to have 16.6 percent of assets in domestic stocks and 67.8 percent in local bonds at the end of 2010, the ministry said in June. National Pension, which was set up in 1988, covers private-sector employees and those who are self-employed.⁶⁶²

Thus the Republic of Korea gets a score of +1 for promoting more balanced current accounts and promoting investment domestically or abroad.

Analyst: Alexander Simonov

Mexico: +1

Mexico has fully complied with its commitment on balancing current accounts and promotion of open trade and investment.

On 17 November 2009, Panama and Mexico signed a treaty to avoid double taxation and prevent tax evasion and on income tax. The double taxation agreement between Mexico and Panama "has come to a happy ending for both countries," said Frank De Lima, Vice Minister of Economy and Finance and head of the Panamanian negotiating delegation. Once the agreement is ratified, the Mexican government will remove Panama from any list that imposes sanctions or additional requirements to provide additional information on investors. "Our financial center has taken steps to prevent money laundering. However, the perception still exists that Panama is a tax haven," recalled De Lima. The agreement preserves the possibility of taxing income at the source, albeit with lower than ordinary tax rates, and in that way to avoid double taxation. The agreement includes the exchange of information on tax matters whenever there is accuracy in the information and the existence of a formal process in the requesting country.⁶⁶³

An amending protocol to the tax treaty between Mexico and the Netherlands came in effect from 1 January 2010. Reduction of rates (such as interest) and new capital gain rules (for example a general rate of 10 percent regardless of the shareholder ownership) are some of the most relevant items. The modified treaty between Mexico and Germany came into effect on 1 January 2010. Some of the most relevant changes include: the decrease on the general withholding tax rate on interest payments (now 10 percent and 5 percent in the case of bank loans) and the rules of the tax applicable in the case of

⁶⁶⁰ Korea Current Account Returned to Surplus in.02.// The official website of the Bloomberg. 28.03.2010. URL: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aUvc8KaAjEIU> (date of access: 10.04.2010).

⁶⁶¹ Bank of Korea keeps key rate at record low 2 percent under new governor // <http://www.startribune.com/business/90319572.html> (date of access: 19.04.2010).

⁶⁶² South Korea Pension Fund Posts 10% Return for 2009 // The official website of the Bloomberg. 24.02.2010. URL: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a6aHu13MXKwY> (date of access: 19.04.2010).

⁶⁶³ Panama and Mexico Sign Treaty on Double Taxation. // The official website of the Panama Guide.17.11. 2009 URL: <http://www.panama-guide.com/article.php/20091117174746943> (date of access: 19.04.2010).

sale of shares whose value is derived mostly from real estate situated in the other contracting state. Broader exchange of information and assistance with tax collection articles have also been added. An amending protocol to the tax treaty between Mexico and Luxembourg was signed on 7 October 2009. This treaty contains a new exchange of information provision, so that Mexican holding companies held by Luxembourgish companies should be able for tax consolidation in Mexico. Among several other treaties in the pipeline, there are the renegotiated ones with Switzerland, Austria and the UK; ones awaiting ratification with Colombia, India, South Africa, Uruguay and Venezuela; and agreements are still in negotiation with Hungary, Lebanon, Malaysia, Morocco, Nicaragua, Panama, Thailand and the Ukraine. The Mexican government has expressed its interest in starting negotiations with many other countries and continues to expand its tax treaty network.⁶⁶⁴

On 23 February 2010, Mexico and the Bahamas signed an Agreement for the Exchange of Information related to Tax Matters and its Final Protocol. The agreement should be a tool to facilitate exchanging information between the tax authorities of these countries. Upon the date of entry into force, it shall have effect in respect of completed taxable periods beginning on or after that date or, where there is no taxable period, all charges to tax arising on or after that date. In the case of Mexico, taxes covered by this agreement are those levied at a federal level. So, this tax treaty does not cover local taxes (such as payroll, accommodation and real estate transfer tax). However, it shall also apply to other taxes as may be agreed in an exchange of letters between the States. Regarding the Bahamas, the taxes covered by this agreement are taxes of every kind and description. It is important to note that this treaty covers both private and public collective investment funds/schemes, giving a definition of those. In addition, regarding the implementation and interpretation of such agreement, this new treaty includes the methodology to carry out a mutual agreement procedure.⁶⁶⁵

On 24 April 2010, Director of the IMF's External Relations Department, Nicolas Eyzaguirre, was asked about taxes on capital inflows and how these taxes came in for a country like Mexico. Mrs. Eyzaguirre answered: "What we say is that, if that is the case, they should start by using the exchange rate as a mitigating factor and they should try to avoid by all means pro-cyclical fiscal policies. With respect to Mexico, they have floated the exchange rate and they are not conducting pro-cyclical fiscal policies. This is all in favor of Mexico. Then, we have the whole area of prudential policies, and that is very much in the making. The idea would be basically to avoid that the availability of cheap and abundant external financing gets into the domestic economy in the form of a credit boom. So, our recommendation is that the authorities should try to work with their financial system in terms of guaranteeing its stability, avoiding the many risks that range from not having enough capital for potential problems down the road; managing adequately the sources of funding to minimize its volatility; managing the risks on the assets side to avoid the problems that arose in the United States with the sub-prime, with substantial and abrupt losses. And I think Mexico has been doing very well on all those fronts"⁶⁶⁶

On December 2009, Herardo Ruis Mateos, the Minister of Economic of Mexico, said that one of the major economical task considered by the government of Mexico is to attract foreign investment. The Minister prognoses that the investment will rose up to USD20 billion in 2010.⁶⁶⁷

⁶⁶⁴ Mexico: 37 Mexican tax treaties and counting// The official website of the International Tax Review. 30.02.2010 URL: <http://www.internationaltaxreview.com/?Page=10&PUBID=35&ISS=25580&SID=724771&TYPE=20> (date of access: 16.04.2010).

⁶⁶⁵ Mexico: Exchange of information – Mexico and Bahamas// The official website of the International Tax Review. 23.02.2010 URL: <http://www.internationaltaxreview.com/default.asp?Page=10&PUB=35&ISS=25593&SID=725281&ReturnPage=16> (date of access: 18.04.2010).

⁶⁶⁶ Transcript of a Press conference With Nicolas Eyzaguirre, Director of the External Relations Department // The official website of the IMF. Reuters. 24.04.2010. URL: <http://www.imf.org/external/np/tr/2010/tr042410c.htm> (date of access: 25.04.2010).

⁶⁶⁷ The Minister of Economy of Mexico said that Mexican economy growth would reach 2.8% next year// The official website of the Peoples Daily online. 22.12. 2009. URL: <http://russian.people.com.cn/31520/6848598.html> (date of access: 05.02.2010).

On 16 February 2010, Patricia Espinosa, Chief of the Ministry of International Affairs of Mexico, said that Mexico intends to continue its collaboration together with Russia regarding increasing bilateral trade and investment. “For this purpose we are negotiating an agreement about mutual protection and investment motivation, and, also, about promotion of united commercial missions and development strategies for determining possibilities for investments to such sectors as pharmacy, electronics, chemical production and others”, said Patricia Espinosa.⁶⁶⁸

On 22-23 February 2010, on the summit of the Latin American and Caribbean countries, with participation of Mexico, it was agreed to create the community of the Latin American and Caribbean countries and the Cancun declaration was signed. The declaration affects many issues including infrastructure improvement. It suggest to develop communications, air-, sea- and river transportation, which will assist development of new markets and prevention of protectionism⁶⁶⁹

According to the Report on G20 Trade and Investment Measures (September, 2009 to February, 2010) published 8 March 2010, during the reporting period (September 2009 to February 2010), G20 member counties also continued to negotiate or pass new international investment agreements (IIAs), further enhancing the openness and predictability of their policy frameworks governing investment. Between September, 2009 and February, 2010, the 19 countries reviewed and concluded five bilateral investment treaties (BITs) and six other agreements with investment provisions. Germany, India, Mexico, South Africa, and the United Kingdom concluded one new BIT each.⁶⁷⁰

On 16 March 2010, the Foreign Ministry and the European Union delegation in Mexico in collaboration with the Spanish embassy in Mexico organized a seminar entitled “The Mexico-European Union Global Agreement: Ten Years of Working Together.” Foreign Secretary Espinosa emphasized that the Global Agreement has become the cornerstone of the Mexico-EU relationship. She said that, within the framework of the agreement, Mexico and the EU will increase their economic and commercial exchanges; create new cooperation programs that bring greater prosperity, security and justice; and strengthen their coordination in the search for solutions to international problems. Undersecretary for Foreign Affairs Lourdes Aranda, the head of the EU delegation in Mexico, said that the Global Agreement had increased trade and investment between Mexico and the EU at the same time that it has given impetus to all aspects of cooperation. Ambassador Marie-Anne Coninx said that, with the new Strategic Partnership, Mexico and the EU would strengthen their bilateral cooperation.⁶⁷¹

On 8 April 2010, Mexico’s ambassador to the United Kingdom, Eduardo Medina Moro, deposited the ratification instrument of the government of Mexico to the International Coffee Agreement signed on September 2007 by 45 producing/exporting countries and 32 importing member countries of the International Coffee Organization (ICO), headquartered in London, England. This agreement (the seventh since 1962) is a treaty of great importance for the countries that produce and consume coffee because its main goal is to strengthen the international coffee industry and promote its sustainable expansion in a market environment for the benefit of all industry participants. Among the main advantages for Mexico in being part of this agreement are: To maintain closer relations between governments and private sector contacts regarding the global coffee market; active participation in policy-making for the coffee sector; access to coffee development projects; collaboration to improve

⁶⁶⁸ Mexico intends to continue its collaboration with Russia to expand intermutual trade and investment. // The official website of the Prime-Tass. 16.02.2010 URL: <http://www.prime-tass.ru/news/0/%7BF797B226-8EDB-49BF-9D85-FBF7296ADA91%7D.uif> (date of access: 05.02.2010).

⁶⁶⁹ Zibechi R. El bloque latinoamericano y caribeño. // The official website of the Polpred. 26.02.2010 URL: <http://www.jornada.unam.mx/2010/02/26/index.php?section=opinion&article=020a1pol> (date of access: 10.02.2010)

⁶⁷⁰ Report on G20 Trade and Investment Measures (September 2009 to 02.2010) // The official website of the WTO. 08.02.2010 URL: http://www.wto.org/english/news_e/news10_e/trim_report_08mar10_e.doc (date of access: 12.04.2010)

⁶⁷¹ The Mexican Foreign Secretary and the Spanish Foreign Minister Close the Seminar Commemorating the First 10 Years of the Mexico-European Union Global Agreement. Press Release №076// The official website of the Secretaria de Relaciones Exteriores. 16.02.2010. URL: http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=472&Itemid=9 (date of access: 5.04.2010)

the coffee quality; access to a new advisory forum on financing the sector; participation in initiatives to increase the demand for coffee; cooperation in developing positive communication about coffee in order to increase consumption; training and access to specialized information, among others. For the 2009-2010 coffee cycle, the ICO members elected Mexico to head the International Coffee Council in the person of Rodolfo Trampe Taubert, Executive Coordinator of the Mexican Association of Coffee Exporters (AMECAFE).⁶⁷²

On 8 April 2010, the third meeting between Mexico and Slovakia was held in Mexico City. The Mexican and Slovakian delegations agreed to give impetus to their economic and trade ties as well as investment flows, making them more effective by taking full advantage of the opportunities offered by the Mexico-European Union Global Agreement. In addition, they agreed on the importance of holding a meeting of the Mexico-Slovakia Joint Economic Committee in the near future with the participation of a Slovakian business mission.⁶⁷³

On 19 April 2010, Mexico and South Africa held the First Meeting of the Binational Commission. It was co-chaired by Foreign Secretary Patricia Espinosa and the South African Minister for International Relations and Cooperation, Maite Nkoana-Mashabane. The subcommittee on economic and trade affairs agreed to promote economic exchanges, trade and investment through business missions that will identify business opportunities and expand the ties of commercial cooperation. Both officials signed the joint statement “Mexico and South Africa: Towards a Priority Relationship” and a Scientific and Technological Cooperation Agreement that will lay the foundations to monitor the existing exchanges and to promote new actions between institutions in Mexico and South Africa.⁶⁷⁴

Thus Mexico gets a score of +1 for promoting more balanced current accounts and promoting investment domestically or abroad.

Analyst: Natalya Zlokazova

Russia: +1

Russia has fully complied with its commitment on balancing current account and promotion of open trade and investment.

Russia is running a huge current account surplus due to high dependence on oil and gas exports. The current global crisis has led to a sharp fall in commodities prices and again pointed at the need for diversification of the economy. To achieve a healthy current account balance, the country needs to strengthen domestic sources of growth. On 13 October 2009, Russian Minister of Finance Alexey Kudrin said in the interview that efforts should be focused on development of domestic capital markets, reduction of state share in the economy, and higher competition.⁶⁷⁵

Then, Russia has taken concrete steps to support open trade and investment.

⁶⁷² Mexico Ratifies its Formal Accession to the International Coffee Agreement 2007. Press Release// The official website of the Secretaria de Relaciones Exteriores. 11.04.2010. URL:

http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=508&Itemid=9 (date of access: 15.04.2010)

⁶⁷³ Mexico and Slovakia Agree to Give Impetus to Their Economic and Trade Ties and to Investment. Press Release. // The official website of the Secretaria de Relaciones Exteriores. 07.04.2010 URL:

http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=500&Itemid=9 (date of access: 10.04.2010)

⁶⁷⁴ Mexico and South Africa Hold the First Meeting of the Binational Commission. Press Release// The official website of the Secretaria de Relaciones Exteriores. 19.04. 2120. URL:

http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=522&Itemid=9 (date of access: 21.04.2010)

⁶⁷⁵ Interview of Minister of Finance Alexey Kudrin to “Promyshlennik Rossii” magazine// The official website of the Ministry of Finance of the Russian Federation 13.10.2009. URL:

<http://www1.minfin.ru/ru/press/interview/index.php?id4=8277> (date of access: 13.03.2010).

On 28 September 2009, President Dmitry Medvedev signed the Federal Law on Ratification of the Agreement between Russia and Venezuela on Encouragement and Reciprocal Protection of Capital Investment⁶⁷⁶ and the similar Agreement with Indonesia.⁶⁷⁷

On 5 October 2009, President Dmitry Medvedev instructed Economic Development Minister Elvira Nabiullina to step up efforts in the development of special economic zones, in particular giving the regions greater involvement in establishing special economic zones.⁶⁷⁸ He also issued an executive order putting the Ministry of Economic Development in charge in this area to make the system more effective.⁶⁷⁹

On 28 December 2009, an amended Law “On Special Economic Zones in Russian Federation” went into force. It extended a list of industrial activities in SEZs, and made it easier for foreign and domestic investors to enter in a SEZ.⁶⁸⁰

On 1 January 2010, Russia, Kazakhstan and Belarus launched a Customs Union. Unified tariffs are mainly derived from Russia’s current tariff structure. The Union is expected to clear the way to the next stage of integration, a unified economic space.⁶⁸¹

On 11 February 2010, President Dmitry Medvedev confirmed a list of instructions following the outcomes of a meeting on Russia's investment climate. The task list included preparation of draft federal laws on optimising immigration rules for foreign citizens invited to Russia by entities implementing investment, scientific, and high-tech projects within Russia; improving customs clearance procedures; tax-related and other measures intended to stimulate investments, etc.⁶⁸²

Thus, Russia can be given a score of +1 for active promotion of open trade and investments, but lack of (and decisive) actions towards a more balanced current account.

Analyst: Ekaterina Maslovskaya

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment to promote more balanced current account and support open trade and investment.

Saudi Arabia is among the countries with the highest current account surpluses in the world thanks to revenue from its petroleum resources. Current account recorded a surplus of SAR76.7 billion (USD20.5 billion) in 2009 compared to SAR496.2 billion (USD132.3 billion) in 2008, a decline of

⁶⁷⁶ Dmitry Medvedev signed the Federal Law On Ratification of the Agreement between the Government of the Russian Federation and the Government of the Bolivarian Republic of Venezuela on Encouragement and Reciprocal Protection of Capital Investment// The official website of the President of Russia 28.09.2009. URL: <http://eng.kremlin.ru/text/news/2009/09/221904.shtml> (date of access: 6.02.2010).

⁶⁷⁷ Dmitry Medvedev signed the Federal Law On Ratification of the Agreement between the Government of the Russian Federation and the Government of the Republic of Indonesia on Encouragement and Reciprocal Protection of Capital Investment// The official website of the President of Russia 28.09.2009. URL: <http://eng.kremlin.ru/text/news/2009/09/221903.shtml> (date of access: 6.02.2010).

⁶⁷⁸ Dmitry Medvedev had a working meeting with Economic Development Minister Elvira Nabiullina// The official website of the President of Russia 5.10.2009. URL: <http://eng.kremlin.ru/text/news/2009/10/221998.shtml> (date of access: 25.04.2010).

⁶⁷⁹ Dmitry Medvedev issued an executive order abolishing the Federal Agency for Management of Special Economic Zones and transferring its functions to the Ministry of Economic Development// The official website of the President of Russia 5.10.2009. URL: <http://eng.kremlin.ru/text/news/2009/10/222000.shtml> (date of access: 25.04.2010).

⁶⁸⁰ On 28.12. an amended Law “On Special Economic Zones in Russian Federation” went into force// The official website of the Ministry of Natural Resources of Russia 28.12. 2009. URL:

<http://www.economy.gov.ru/minrec/activity/sections/specialEconomicAreas/news200912281> (date of access: 7.02.2010).

⁶⁸¹ Dmitry Medvedev took part in the summit meeting of the Eurasian Economic Community Interstate Council and meeting of the Interstate Council in its capacity as highest body of the Customs Union// The official website of the President of Russia 27.11. 2009. URL: <http://eng.kremlin.ru/text/news/2009/11/223039.shtml> (date of access: 20.04.2010).

⁶⁸² Dmitry Medvedev confirmed a list of instructions following the outcomes of a.02.2, 2010 meeting at the Kremlin on Russia's investment climate// The official website of the President of Russia 11.02.2010. URL: <http://eng.kremlin.ru/text/news/2010/02/224296.shtml> (date of access: 6.04.2010).

84.5 percent. But the International Monetary Fund has a positive expectations about country's CA in the future: according to the IMF forecast it will reach USD65.981 billion in 2015⁶⁸³.

In order to balance its CA Saudi Arabia takes steps to strengthen domestic sources of growth.

According to Saudi Arabian Monetary Agency Money supply (M2) registered an increase of 2.6 percent (SAR21.6 billion) to SAR844.9 billion during the fourth quarter of 2009, against a decline of 0.1 percent (SAR890 million) in the preceding quarter. This fact can be considered as a measure to stimulate domestic demand and investment, as growing monetary supply results in loan cost decreasing and improvement of population purchasing capacity. That can help to promote imports and reach more balanced CA⁶⁸⁴.

The 2010 national budget focuses on enhancing economic development and improving investment environment that supports strong and balanced economic growth. The budget includes SAR260 billion (USD70 billion) for investment projects, an increase of about 16 percent over the last year's budget, which was the largest historically. The budget gives high emphasis to projects that ensure sustainable and balanced development as well as job creation. Specialized government development funds and banks will continue to provide loans to the industrial and agriculture sectors, which should help in creating jobs and enhance growth prospects. The 2010 budget projected that SAR48.3 billion (USD12.9 billion) will be disbursed by the credit institutions (the Real Estate Development Fund, the Saudi Industrial Development Fund, the Saudi Credit and Saving Bank, the Agriculture Development Fund, the Public Investment Fund, and the Government Lending Program)⁶⁸⁵.

On 10 January 2010, SA Finance Minister Ibrahim Al-Assaf said, that the country "will continue investing in its oil sector to help stabilize crude prices at a level acceptable to both consuming and producing countries". This is through big investments to increase production and refining capacity to maintain balanced and acceptable prices by both producers and consumers. These measures will help to harness oil prices growth and get more balanced CA⁶⁸⁶.

On 30 September 2009, Malaysia and Saudi Arabia said they would establish a 2.5-billion-dollar partnership to invest in oil and gas and real estate projects here and abroad. The joint-venture company is a collaboration between government development and investment firm 1Malaysia Development Berhad (1MDB) and Saudi Arabias PetroSaudi International Limited (PSI). In a statement the companies said that fund would target the renewable energy sector and "long-term sustainable economic development" projects in Malaysia. It is also aimed at attracting further investment from the oil-rich Middle East region to Malaysia, the statement said⁶⁸⁷.

On 8 October 2009, Saudi Arabia and Syria signed an agreement to avoid double taxation and prevent tax evasion. Speaking about the taxation accord, Finance Minister Al-Assaf said it would reduce the tax burden on investors and ensure transparency in tax dealings. He urged businessmen in both

⁶⁸³ World Economic Outlook Database, 04.2010 // The official website of International Monetary Fund. URL: <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/weorept.aspx?sy=2008&ey=2015&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=72&pr1.y=12&c=456&s=BCA&grp=0&a=> (date of access: 24.04.2010).

⁶⁸⁴ Quarterly Statistical Bulletin // The official website of the Saudi Arabian Monetary Agency. URL: http://www.sama.gov.sa/sites/SAMAEN/ReportsStatistics/ReportsStatisticsLib/5600_S_Quarterly_Bulletin_Bo.pdf (date of access: 24.04.2010).

⁶⁸⁵ Budget focuses on improving investment environment // the official website of the Saudi Arabia News and Updates. 22.12.2009. URL: <http://www.alSaudiArabia.com/Budget-focuses-on-improving-investment-environment/> (date of access: 24.04.2010).

⁶⁸⁶ More oil investments planned to stabilize a volatile market // the official website of the Saudi Arabia News and Updates. 11.01.2010. URL: <http://www.alSaudiArabia.com/More-oil-investments-planned-to-stabilize-a-volatile-market/> (date of access: 24.04.2010).

⁶⁸⁷ Kingdom and Malaysia set up 25 billion investment fund // the official website of the Saudi Arabia News and Updates. 01.10.2009. URL: <http://www.alSaudiArabia.com/Kingdom-and-Malaysia-set-up-25-billion-investment-fund/> (date of access: 24.04.2010).

countries to make use of the benefits offered by the agreement in order to establish more joint ventures⁶⁸⁸.

On 19 October 2009, the Council of Ministers issued a resolution approving the adoption of the Common Gulf Market Document. The action will boost regional economic integration processes⁶⁸⁹.

On 5 November 2009, the government of Saudi Arabia removed an 11-year ban on livestock imports from Somalia after fears of Rift Valley Fever were allayed⁶⁹⁰.

On 14-15 November 2009, the Saudi-East African Forum was held in Addis Ababa, it launched the Kingdoms trade partnership program with East African countries. The forum brought together five African nations Ethiopia, Uganda, Tanzania, Kenya and Djibouti to promote trade with the Kingdom. The high-level event discussed ways of strengthening economic bonds and investment flow among these nations⁶⁹¹.

On 22 November 2009, the agreement to avoid double taxation was signed between Saudi Arabia and Italy. It aimed at promotion bilateral economic ties and increase mutual investments between the two countries. The agreement came into effect on 1 January 2010⁶⁹².

On 26 November 2009, Saudi Arabia and Finland have finalized the text of model investment protection treaty and launched negotiations on the avoidance of double taxation accord⁶⁹³.

On 12 December 2009, the Jeddah Chamber of Commerce and Industry (JCCI) and the officials of Common Market for Eastern and Southern Africa (COMESA) signed an agreement aiming at support and promotion of cooperation between the Saudi private sector and 21 African member states of the COMESA. The agreement was to highlight the role of institutions and commercial sectors and to encourage and enable them to function in line with the rules of member states and create an atmosphere of encouraging local investments as well as foreign direct investment⁶⁹⁴.

On 14 December 2009, in the GCC summit in Kuwait, Bahrain, Kuwait, Qatar and Saudi Arabia approved a monetary union pact which calls for the establishment of the monetary council. The council, to be based in Riyadh, will develop in the future into the GCC central bank to be hosted in the Saudi capital. The bank will be charged with issuing the GCC single currency. The ratification of the pact is conceded to be an important step in promoting regional economic integration processes, and through that trade and investment flows⁶⁹⁵.

On 13 January 2010, a new Saudi-UK joint venture was announced, it is aimed at further expanding the flourishing bilateral trade and investment. The new venture, Trans Arabian Consultancy Middle

⁶⁸⁸ Kings Syria visit opens new chapter // the official website of the Saudi Arabia News and Updates. 08.10.2009. URL: <http://www.al-saudi-arabia.com/Kings-Syria-visit-opens-new-chapter/> (date of access: 24.04.2010).

⁶⁸⁹ Economic developments- fourth quarter, 2009 // the official website of the Saudi Arabian Monetary Agency. URL: http://www.sama.gov.sa/sites/SAMAEN/ReportsStatistics/ReportsStatisticsLib/1300_R_EcoDev_En_2010_2_17_Q4.pdf (date of access: 24.04.2010).

⁶⁹⁰ Saudi Arabia resumes livestock trade with Somalia // the official website of the Africa the good news. 06.11.2009. URL: <http://www.africagoodnews.com/trade-and-investment/saudi-arabia-resumes-livestock-trade-with-somalia.html> (date of access: 24.04.2010).

⁶⁹¹ Saudi-East African Forum set // the official website of the Saudi Arabia News and Updates. 26.10.2009. URL: <http://www.al-saudi-arabia.com/Saudi-East-African-Forum-set/> (date of access: 24.04.2010).

⁶⁹² Kingdom important force for stability in region Berlusconi // the official website of the Saudi Arabia News and Updates. 22.11.2009. URL: <http://www.al-saudi-arabia.com/Kingdom-important-force-for-stability-in-region-Berlusconi/> (date of access: 24.04.2010).

⁶⁹³ Saudi-Finnish business treaty ready // the official website of the Saudi Arabia News and Updates. 26.11.2009. URL: <http://www.al-saudi-arabia.com/Saudi-Finnish-business-treaty-ready/> (date of access: 24.04.2010).

⁶⁹⁴ JCCI signs accord with 21 African states // A1SaudiArabia.com. Saudi Arabia News and Updates. 14.12.2009. URL: <http://www.al-saudi-arabia.com/JCCI-signs-accord-with-21-African-states/> (date of access: 24.04.2010).

⁶⁹⁵ Gulf central bank chiefs map out action plan for financial stability // the official website of the Saudi Arabia News and Updates. 25.03.2010. URL: <http://www.al-saudi-arabia.com/Gulf-central-bank-chiefs-map-out-action-plan-for-financial-stability/> (date of access: 24.04.2010).

East, with its offices in Jeddah and Dubai, will work toward expanding trade between Saudi Arabia and Britain and also facilitate investments of about EUR100 million in the next few years⁶⁹⁶.

On 17 January 2010, Saudi Arabia and Singapore decided to form an action plan for the development of bilateral trade⁶⁹⁷.

On 25 February 2010, India and Saudi Arabia started the negotiations to set up an infrastructure fund valued at \$680 million for investments in India. The parties involved in negotiations are the Saudi Public Investment Fund (PIF) and the Indian Development Finance Corporation (IDFC)⁶⁹⁸.

On 22 March 2010, the Cabinet authorized the Minister of Finance to sign a draft agreement to avoid double taxation and prevent tax evasion with Ireland and Ukraine⁶⁹⁹.

On 10 April 2010, King Abdullah and Vietnamese President Nguyen Minh Triet signed three major agreements: a treaty to avoid double taxation, a protocol to promote ties in the oil and gas sectors and an agreement to promote cooperation in agriculture sector. The protocol in the oil sector endorsed by Riyadh and Hanoi will help to boost oil supplies and encourage Saudi Aramco to invest in two refineries to be built in Vietnam⁷⁰⁰.

On 19 April 2010, the Cabinet authorized the Governor of Saudi Arabian General Investment Authority (or his deputy) to sign three draft agreements on the encouragement and reciprocal protection of investments between the government of the Kingdom of Saudi Arabia and the Governments of the Kingdom of the Netherlands, the Republic of Greece and the Republic of Cyprus⁷⁰¹.

Given the active participation of Saudi Arabia in bilateral and multilateral cooperation, aiming at open trade and development promotion and country policy to increase domestic demand and support internal growth, what can help to achieve more balanced Current Account, SA receives a score of +1.

Analyst: Maria Datsik

South Africa: +1

South Africa has fully complied with the commitment to promote more balanced current account and support open trade and investment.

In the fourth quarter of 2009 South Africa's current account deficit unexpectedly narrowed to its lowest level in 4.5 years – 2.8 percent – due to the rise in exports. In January the trade shortfall was ZAR3.33 billion (USD0.35 million), in February it widened to 5.7 billion rand. In March however there was even a surplus of 0.46 billion rand.⁷⁰² In 2009 current balance of South Africa was USD15.6 billion⁷⁰³, whereas in 2008 it amounted to USD20.98 million.⁷⁰⁴

⁶⁹⁶ Saudi-UK joint venture to boost investment// the official website of the Saudi Arabia News and Updates. 14.01.2010. URL: <http://www.al-saudiarabia.com/Saudi-UK-joint-venture-to-boost-investment/> (date of access: 24.04.2010).

⁶⁹⁷ Singapore delegation to visit JCCI // A1SaudiArabia.com. Saudi Arabia News and Updates. 18.01.2010. URL: <http://www.al-saudiarabia.com/tag/saudi-arabia/page/33/> (date of access: 04.04.2010).

⁶⁹⁸ Riyadh spruced up for Indian PMs visit // the official website of the Saudi Arabia News and Updates. 25.02.2010. URL: <http://www.al-saudiarabia.com/Riyadh-spruced-up-for-Indian-PMs-visit/> (date of access: 24.04.2010).

⁶⁹⁹ Cabinet Session, 22.03.2010 // The official website of Kingdom of Saudi Arabia Ministry of Foreign Affairs. 22.03.2010. URL: <http://www.mofa.gov.sa/Detail.asp?InNewsItemID=107518> (date of access: 24.04.2010).

⁷⁰⁰ Saudi Arabia , Vietnam sign three major accords // the official website of the Middle East North Africa – Financial Network. 11.04.2010. URL: http://www.menafn.com/qn_news_story_s.asp?StoryId=1093320855 (date of access: 24.04.2010).

⁷⁰¹ Crown Prince Chairs Cabinet Session // The official website of Kingdom of Saudi Arabia Ministry of Foreign Affairs. 19.04.2010. URL: <http://www.mofa.gov.sa/Detail.asp?InSectionID=3981&InNewsItemID=108926> (date of access: 24.04.2010).

⁷⁰² South African trade statistics for.02.2010 // The official website of Web Newswire. 2.05. 2010. <http://www.webnewswire.com/node/530108> (date of access: 02.05. 2010).

⁷⁰³ The World Factbook// The official website of Central Intelligence Agency. URL: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2187rank.html>. (date of access: 1.04.2010).

The current account gap was financed mainly by foreign capital inflows. Since last April rand appreciated by more than 13 percent. Trade unions and business asked the government to weaken the rand. But the government attributed the sharp rise in the value of the rand to the startling rise in the price of gold, which remains one of South Africa's main exports. This is bad news for South African companies exporting anything other than gold.

South Africa has made some steps to support open trade and investment. However, these measures mostly comprised regional integration.

On 9 April 2010 President of the South Africa Jacob Zuma and the Republic of Congo's President Denis Sassou-Nguesso signed a trade agreement. The agreement will foster closer trade and investment ties and promote intra-Africa trade.⁷⁰⁵

On 22 April 2010 the five member countries of the Southern African Customs Union (SACU) - Botswana, Namibia, Lesotho, Swaziland and South Africa – decided that SACU will be transformed from a customs union into a body to deepen regional integration in southern Africa. In December 2009, the Sacu Council of Ministers decided in Windhoek to work towards "a defined roadmap for moving towards and economic community and monetary union".⁷⁰⁶

Since South Africa promoted more balanced current accounts and promoted investment domestically and abroad, it is scored +1 for its progress.

Analyst: Tatyna Lanshina

Turkey: +1

Turkey has fully complied with commitment to promote more balanced current accounts and facilitate open trade and investment through actively rejecting protectionism measures.

Finance Minister Mehmet Şimşek has stressed the importance of securing fiscal discipline and single-digit interest rates, calling them the greatest economic milestones Turkey could attain. "If interest rates can stay in single digits, then Turkey will have achieved a great feat. ... In terms of public financing, low interest rates will help Turkey achieve significant gains that will come back as investments. If we can reduce the budget deficit, we can invest in education, infrastructure, research and development. We could also possibly reduce the tax burden on Turkey's industry." Şimşek stated.⁷⁰⁷

On 14 April 2010, The Turkish Eximbank has increased credits for exporters from USD150 million to USD1.4 billion. Turk Eximbank is a fully state-owned bank acting as the Turkish government's major export incentive instrument in Turkey's sustainable export strategy. As Turkey's official export credit agency, Turk Eximbank has been mandated to support foreign trade and Turkish contractors/investors operating overseas.⁷⁰⁸

⁷⁰⁴ South Africa Current Account Balance// The official website of Index Mundi. URL:

http://www.indexmundi.com/south_africa/current_account_balance.html. (date of access: 1.04.2010).

⁷⁰⁵ Congo trade agreement create opportunities for SA// The official website of Times Live. 09.04.2010. URL:

<http://www.timeslive.co.za/business/article395438.ece/Congo-trade-agreement-create-opportunities-for-SA> (date of access: 29.04.2010).

⁷⁰⁶ Sacu at 100 Eyes Transformation// The official website of the Namibian. 23.04.2010. URL:

<http://www.namibian.com.na/news/full-story/archive/2010/april/article/sacu-at-100-eyes-transformation/> (date of access: 28.04.2010).

⁷⁰⁷ Babacan Says Turkey Made No Progress In Capital Markets Wednesday // The official website of the Journal of Turkish Weekly. URL: <http://www.turkishweekly.net/news/101196/babacan-says-turkey-made-no-progress-in-capital-markets.html> (date of access: 14.04.2010)

⁷⁰⁸ Turkish Eximbank Raises Credits For Exporters To 1.4 Bln USD Wednesday // The official website of the Journal of Turkish Weekly. URL: <http://www.turkishweekly.net/news/101205/turkish-eximbank-raises-credits-for-exporters-to-1-4-bln-usd.html> (date of access: 14.04.2010)

Turkey paid back 836.24 million USD of foreign debt between March 1 and 24, 2010. According to data of Turkish Central Bank, Turkey repaid USD775 million of foreign debt in January and USD 2.09 billion in February, 2010. Turkey paid back USD 11.7 billion of foreign debt in 2009.⁷⁰⁹

On 22 October 2009, a summit titled "Investment in Turkey" ended in London. The three day summit was co-organized by the Turkish Embassy in London and European Bank for Reconstruction and Development (EBRD).⁷¹⁰

On 2 November 2009, Turkish State Minister Zafer Çağlayan said that Turkey was eager to boost trade and cooperation with South African Republic. Indicating that there were important implementations in his country to encourage investors, the South African minister invited Turkish businessmen to make investments.⁷¹¹

On 20 November 2009, Bae Jae-Hyun, South Korea's ambassador to Turkey, speaking at a time when talks on trade agreements are taking place between officials from the two countries, has said more businessmen from South Korea should invest in Turkey.⁷¹²

On 1 December 2009, Turkish President Abdullah Gül and Jordan's King Abdullah II signed a long-awaited free trade agreement as part of official talks to further economic relations between the two countries.⁷¹³

United States Trade Representative Ron Kirk and Deputy Prime Minister Ali Babacan have unveiled a new forum aimed at boosting trade and investment ties between the two nations. On the heels of Prime Minister Recep Tayyip Erdoğan's visit to the White House, Babacan and Kirk held a joint press conference at the White House on 8 December 2009 revealing a new trade and commercial policy structure, titled the "Framework for Strategic Economic and Commercial Cooperation"⁷¹⁴

President Abdullah Gül urged Kuwaiti businessmen to invest in Turkey, highlighting that there is a big potential for business between the two nations. At the Turkey-Kuwait Business Forum, held at the Kuwait Chamber of Commerce and Industry, Gül stated that the revenue Kuwait derives from petroleum needs to be invested abroad in countries with low risk and high returns.⁷¹⁵

Turkish State Minister Zafer Çağlayan called on Chinese companies to invest in Turkey. Speaking at a Turkish-Chinese economy and investment cooperation forum in Istanbul, Çağlayan said, "If I were a

⁷⁰⁹ Turkey Repays \$836.24 Mln Foreign Debt Between.02.1-24 Friday // The official website of the Journal of Turkish Weekly. URL: <http://www.turkishweekly.net/news/100466/turkey-repays-836-24-mln-foreign-debt-between-march-1-24.html> (date of access: 26.03.2010)

⁷¹⁰ Summit on 'Investment in Turkey' ends in London // The official website of the Anatolia News Agency URL: <http://www.todayszaman.com/tz-web/news-190724-summit-on-investment-in-turkey-ends-in-london.html> (date of access: 22.10.2009)

⁷¹¹ Turkey eager to do business in South Africa, Minister Çağlayan // The official website of the Anatolia News Agency URL: <http://www.todayszaman.com/tz-web/news-191772-turkey-eager-to-do-business-in-south-africa-minister-caglayan.html> (date of access: 02.11.2009)

⁷¹² South Korean envoy calls for investment in Turkey// The official website of the Today's Zaman News URL: <http://www.todayszaman.com/tz-web/news-193561-south-korean-envoy-calls-for-investment-in-turkey.html> (date of access: 21.11.2009)

⁷¹³ Jordan, Turkey sign free trade deal, scrap visa requirements// The official website of the Today's Zaman News URL: <http://www.todayszaman.com/tz-web/news-194419-jordan-turkey-sign-free-trade-deal-scrap-visa-requirements.html> (date of access: 03.12.2009)

⁷¹⁴ US, Turkey boost trade and investment relations through new framework// The official website of the Today's Zaman News URL: Date 09.12. 2009, Source: Today's Zaman With Wires Istanbul- <http://www.todayszaman.com/tz-web/news-194973-us-turkey-boost-trade-and-investment-relations-through-new-framework.html> (date of access: 03.12.2009)

⁷¹⁵ Gül calls on Kuwaiti businessmen to invest in Turkey// The official website of the Today's Zaman News 23.12. 2009. URL: <http://www.todayszaman.com/tz-web/news-196337-gul-calls-on-kuwaiti-businessmen-to-invest-in-turkey.html> (date of access: 23.12.2009)

Chinese company, I would have already made an investment in Turkey. Our incentive system will be in effect until the end of this year. You'd better hurry up and if you do not come, someone else will.⁷¹⁶

On 15 February 2010, the Anatolia news agency said that Turkey is expected to attract three injections of foreign direct investment (FDI), worth approximately USD150 million, thanks to deals reached during President Abdullah Gül's official visit to India last week.⁷¹⁷

On 3 April 2010, the Turkey Finance Ministry announced that it plans to impose equal withholding taxes on foreigners and Turkish nationals for bonds and investment funds.⁷¹⁸

Thus Turkey for its full compliance with its commitment can be awarded a score of +1.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The UK has fully complied with commitment to promote more balanced current accounts and facilitate open trade and investment through actively rejecting protectionism measures.

The UK has a deficit on the current account of the balance of payments, but it is relatively modest, averaging over 2% of GDP in the end of 2009.^{719 720} And according to Andrew Sentence, Member of the Monetary Policy Committee in Bank of England, the significant fall in sterling will work in future to erode the external deficit that we do have.⁷²¹ Moreover, the UK government takes measures on export support. For example, on 20 October 2009, the UK export credit agency launched a letter of credit guarantee scheme to assist UK exporters by increasing the availability of short-term export finance.⁷²²

The UK Government also takes measures to enhance UK attractiveness to investments. On 26 January 2010, the Government published its proposals for reforming the UK tax treatment of controlled foreign companies (CFCs) to attract investments of multinationals.⁷²³ On 22 February 2010, the UK was hosting the Global Investment Conference, organised by UK Trade and Investment, where an Investors' Charter which sets out the UK Government's support for investors was announced.⁷²⁴

⁷¹⁶ Turkish state minister calls for Chinese investments // The official website of the Anatolia News Agency Istanbul. 08.01.2010 URL: <http://www.todayszaman.com/tz-web/news-197930-turkish-state-minister-calls-for-chinese-investments.html> (date of access: 08.01.2010)

⁷¹⁷ Turkey to receive \$150 million in FDI from India // The official website of the Today's Zaman News. URL: <http://www.todayszaman.com/tz-web/news-201633-turkey-to-receive-150-million-in-fdi-from-india.html> (date of access: 16.02.2010).

⁷¹⁸ Withholding tax to be equal for foreign and local investors // Today's Zaman News. URL: <http://www.todayszaman.com/tz-web/news-206410-withholding-tax-to-be-equal-for-foreign-and-local-investors.html> (date of access: 05.04.2010).

⁷¹⁹ Prospects for the British economy after the Financial storm, Speech by Andrew Sentence, Member of the Monetary Policy Committee // The official website of Bank of England. 16.11.2009. URL: <http://www.bankofengland.co.uk/publications/speeches/2009/speech411.pdf> (date of access: 23.03.2010).

⁷²⁰ Remarks by Paul Tucker, Deputy Governor, Financial Stability // The official website of Bank of England 23.02.2010. URL: <http://www.bankofengland.co.uk/publications/speeches/2010/speech424.pdf> (date of access: 23.03.2010).

⁷²¹ Prospects for the British economy after the Financial storm, Speech by Andrew Sentence, Member of the Monetary Policy Committee // The official website of Bank of England. 16.11.2009. URL: <http://www.bankofengland.co.uk/publications/speeches/2009/speech411.pdf> (date of access: 23.03.2010).

⁷²² ECGD Launches New Scheme to Help Exporters // The official website of UK Trade & Investment. 20.10.2009. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/africa/ecgd-launches-new-scheme-to-help-exporters-ashx> (date of access: 23.03.2010).

⁷²³ Government publishes proposals to enhance UK attractiveness to multinationals // The official website of HM Treasury. 26.01.2010. URL: http://www.hm-treasury.gov.uk/press_08_10.htm (date of access: 23.03.2010).

⁷²⁴ Business and government working together // The official website of Foreign & Commonwealth Office. 22.02.2010. URL: <http://www.fco.gov.uk/en/news/latest-news/?view=News&id=21793359> (date of access: 23.03.2010).

The UK looks for increasing trade with other countries. For example, on 20 October 2009, the UK Government and the UAE committed to increasing total bilateral trade by 60 percent till 2015.⁷²⁵ On 5 November 2009, Business Secretary Lord Mandelson met with Russian Deputy Prime Minister and Finance Minister Alexey Kudrin to discuss plans to boost bilateral trade and investment.⁷²⁶ The UK official representatives discussed the need to fight protectionism and to support free trade and investments with governments of Indonesia⁷²⁷ and South Korea⁷²⁹.

The UK promotes more balanced current accounts and supports open trade and investments; therefore, its score is +1 for the fulfillment of this commitment.

Analyst: Natalya Churkina

USA: 0

The UK has partially complied with commitment to promote more balanced current accounts and facilitate open trade and investment through actively rejecting protectionism measures.

During the period of monitoring the USA current account was negative, and the deficit was increasing. Thus in the third quarter 2009 the deficit was USD102.4 billion, which was higher than in the second quarter (USD97.7 billion). In the last quarter 2009 the deficit was even higher, it accounted for USD115.6 billion.⁷³⁰

In October 2009, when the dollar slumped to a 14-month low against a basket of six other major currencies, many experts said that this was a managed devaluation.⁷³¹ However this did not help to balance current accounts.

In October 2009 US Federal Reserve Chairman Ben Bernanke warned that large US budget deficits could refuel global economic imbalances and said that the U.S. need to increase its savings.⁷³³ According to the USA Bureau of Economic Analysis⁷³⁴, personal saving were record (USD960.2 billion) in the second quarter of 2009. In the fourth quarter savings were also high (USD952.0 billion).

⁷²⁵ UK and UAE to increase trade to £12billion by 2015 // The official website of UK Trade & Investment. 20.10.2009 URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/market/uk-and-uae-to-increase-trade-to-12billion-by-2015.ashx> (date of access: 23.03.2010).

⁷²⁶ Lord Mandelson committed to strengthening UK-Russia trade // The official website of UK Trade & Investment. 05.11.2009. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/europe/lord-mandelson-committed-to-strengthening-uk-russi.ashx> (date of access: 23.03.2010).

⁷²⁷ UK supports Indonesian liberalisation, says Lord Davies // The official website of UK Trade & Investment. 03.11.2009. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/asia-pacific/uk-supports-indonesian-liberalisation-says-lord-da.ashx> (date of access: 23.03.2010).

⁷²⁸ Indonesia, growing fast: Sir Andrew Cahn // The official website of UK Trade & Investment. 08.03.2010. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/-andrew-cahn/indonesia-growing-fast-sir-andrew-cahn.ashx> (date of access: 23.03.2010).

⁷²⁹ UKTI Chief Executive: EU-Korea free trade deal will be good for UK firms // The official website of UK Trade & Investment. 01.02.2010. URL: <http://www.newsroom.uktradeinvest.gov.uk/~content/automotive-industry/ukti-chief-executive-eu-korea-free-trade-deal-will2.ashx> (date of access: 23.03.2010).

⁷³⁰ United States Current Account// The official website of Trading Economics. URL: <http://www.tradingeconomics.com/Economics/Current-Account.aspx?Symbol=USD>. (date of access: 08.05. 2010).

⁷³¹ U.S. Dollar Drop: Managed Devaluation// The official website of National Post 16.10.2009. URL: <http://www.nationalpost.com/m/blog.html?b=francis&e=u-s-dollar-drop-managed-devaluation> (date of access: 16.02.2010).

⁷³² Next Danger on Radar : Currency Devaluation// The official website of CommodityOnline 17.10.2009. URL: <http://www.commodityonline.com/news/Next-danger-on-radar--Currency-devaluation-22092-3-1.html>. (date of access: 15.02.2010).

⁷³³ Bernanke Calls for Action on Global Imbalances// The official website of The Economic Times 20.10.2009. URL: <http://economictimes.indiatimes.com/Take-action-on-global-imbalances/articleshow/5140851.cms>. (date of access: 15.02.2010).

⁷³⁴ National Income and Product Accounts Table// The official website of Bureau of Economic Analysis URL: <http://www.bea.gov/national/nipaweb/TableView.asp?SelectedTable=137&ViewSeries=NO&Java=no&Request3Place=N&3Place=N&FromView=YES&Freq=Qtr&FirstYear=1947&LastYear=2010&3Place=N&Update=Update&JavaBox=no#Mid>. (date of access: 8.05. 2010).

But this was neutralized by high government spending which were also record (USD1.307 trillion in the fourth quarter 2009).

In September 2009, when the USA decided to slap punitive tariffs on Chinese tyre imports, it was clear that the U.S. is not ready to put free trade at the top of agenda.⁷³⁵ Later during the monitored period trade disputes between the USA and China continued to mount. These disputes concerned exports of tires, chickens, steel, nylon, autos, paper and salt.⁷³⁶ China contended that USA trade protectionism has been growing ever since the global financial crisis began, while USA leaders continued to urge China to appreciate its currency since undervalued yuan was disadvantageous for USA exports.⁷³⁷ China also complained about USA investment barriers on national security grounds.⁷³⁸⁷³⁹

However, some steps of the U.S. administration were supporting international investment. Thus, on 26 October 2009 the U.S. and India agreed to cooperate in trade and investment and to support greater involvement of small and medium enterprises in each others' markets.⁷⁴⁰ In February 2010 American Deputy Secretary of the Treasury Neal S. Wolin Friday said USA is serious to increase bilateral trade links with Pakistan and is keen to discuss Business Investment Treaty between the two countries.⁷⁴¹ In April 2010 the USA and Indonesia signed an agreement paving the way for increased USA investment in Indonesia.⁷⁴²

Since the USA did not comply with the first part of the commitment, to promote more balanced current accounts, the score is 0.

Analyst: Tatyana Lanshina

European Union: 0

The EU has partly complied with the commitment on balancing current accounts and promotion of open trade and investment.

The EU and Morocco reaffirmed their resolve to put in place a common economic space between involving advanced integration of the Moroccan economy with that of the EU and drawing on the rules governing the European Economic Area. Both Parties confirmed to implement joint action in four inter-related areas: approximation of Morocco's legislative framework with the Community acquis; the conclusion of a deep and comprehensive Free Trade Agreement; economic and social cooperation; Moroccan accession to trans-European networks and sectoral cooperation. Also the parties agreed to intensify current negotiations on liberalizing trade in services and to carry the procedures forward with

⁷³⁵ Trade Disputes Could Threaten G20 Unity// The official website of BBC 23.09.2009. URL: <http://news.bbc.co.uk/2/hi/business/8253993.stm>. (date of access: 18.02.2010).

⁷³⁶ U.S., China Locked in Trade Disputes// The official website of The Washington Post 4.01. 2010. URL: <http://www.washingtonpost.com/wp-dyn/content/article/2010/01/03/AR2010010301961.html>. (date of access: 17.04.2010).

⁷³⁷ U.S.-China Trade Relations—The Next Dispute? // The official website of Carnegie Endowment, 17.02.2010 URL: <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=30975>. (date of access: 17.04.2010).

⁷³⁸ China's Hu Prods West on Trade, Investment Barriers// The official website of AsiaOneNews 14.11. 2009. (date of access: 18.02.2010. URL: <http://news.asiaone.com/News/Latest%2BNews/Asia/Story/A1Story20091114-179906.html>.

⁷³⁹ Sources of Tension Between China and U.S., Reuters 18.02.2010. URL: <http://uk.reuters.com/article/idUKTOE61B01A20100218>. (date of access: 18.02.2010).

⁷⁴⁰ India, US to Promote Cooperation in Trade// The official website of Investment, NetIndian 26.10.2009. URL: <http://netindian.in/news/2009/10/26/0003870/india-us-promote-cooperation-trade-investment>. (date of access: 15.02.2010).

⁷⁴¹ US Serious to Promote Trade with Pakistan: Deputy Secretary Treasury// The official website of Associated Press of Pakistan 12.02.2010. URL: http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=96270&Itemid=2. (date of access: 15.02.2010).

⁷⁴² US, Indonesia Sign Investment Financing Agreement, Jakarta Globe 14.04.2010. URL: <http://www.thejakartaglobe.com/home/us-indonesia-sign-investment-financing-agreement/369379>. (date of access: 17.04.2010).

a view to signing the Agreement on trade in agricultural products, processed agricultural products and fishery products and bringing it into force as soon as possible.⁷⁴³

On 14 April 2010, in Brussels, European Trade Commissioner Karel de Gucht met Eastern and Southern Africa (ESA) representatives, including Zambia's Trade Minister and ESA Chair Felix Mutati and Malawi's Trade Minister Eunice Kazembe. It was the first meeting since the signing of the interim Economic Partnership Agreement (EPA) in Mauritius on 29th August 2009. The end objective remains to complete negotiations on a regional agreement covering not only trade in goods, but also other issues such as services and investment.⁷⁴⁴

As European Commission President José Manuel Barroso stated, "With today's decision to relaunch this negotiation with Mercosur, the EU is seizing an important opportunity", the EU will strive for full liberalisation for a very large part of trade in goods and concessions for all major industrial sectors aiming at major liberalisation of service sectors and relating to public procurement, intellectual property, geographical indications and provisions on sustainable development.⁷⁴⁵

Moreover, the European Commission adopted a proposal to prolong the exceptional autonomous trade preferences which the EU grants to Western Balkan countries until 2015. These measure ensure that Western Balkan economies continue to benefit from an unlimited duty free access to the EU market and support economic integration with the EU and foster the economic progress in the entire region.⁷⁴⁶

Hence the EU actively promotes investment and open trade, but no action have been registered at the EU level on the balancing current accounts, and the EU gets a score of 0.

Analyst: Arina Shadrikova

⁷⁴³ Joint statement European Union-Morocco Summit Granada, 07.02.2010. Brussels, 7.02.2010. 7220/10 (Presse 54) // The official website of Council Of the European Union URL:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/113247.pdf (date of access: 17.02.2010).

⁷⁴⁴ Press Release. European Commission. Brussels// The official website of Council Of the European Union. 14.04.2010. URL: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=551&serie=336&langId=en> (date of access: 17.04.2010).

⁷⁴⁵ Press Release. European Commission. Brussels// The official website of Council Of the European Union. 04.05.2010. URL: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=566> (date of access: 15.06.2010).

⁷⁴⁶ European Commission proposes to renew autonomous trade preferences for the Western Balkans. Press Release. European Commission. Brussels// The official website of Council Of the European Union. 22.02.2010. URL: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=528> (date of access: 15.06.2010).

6. International Financial Institutions Reform

14 - We are committed to a shift in International Monetary Fund (IMF) quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries using the current quota formula as the basis to work from.

G20 Leaders' Statement: The Pittsburgh Summit

71 - We reaffirm our commitment to ensure that the Multilateral Development Banks and their concessional lending facilities, especially the International Development Agency (IDA) and the African Development Fund, are appropriately funded.

G20 Leaders' Statement: The Pittsburgh Summit

Background

On 28 April 2008, a large-scale quota and voice reform⁷⁴⁷ in the making for nearly two years was adopted by a large margin by the Board of Governors of the International Monetary Fund (IMF). It aims to make quotas more responsive to economic realities by increasing the representation of fast-growing economies and at the same time giving low-income countries more say in the IMF's decision making. The reform builds on an initial step agreed by the IMF's membership in September 2006 to have ad hoc quota increases for four countries—China, Korea, Mexico, and Turkey. The April 2008 reform package is more far-reaching, containing the following elements:

- A new quota formula.
- Ad-hoc quota increases to all 54 countries that were underrepresented under the new quota formula.
- Tripling the number of basic votes to increase the voice of low-income countries, as well as protection of the share of the basic votes in total voting power going forward.
- Providing resources for an additional Alternate Executive Director for the two African chairs represented on the IMF's Executive Board.
- Realigning quota and voting shares every five years.

For the package of reforms to become effective, acceptance of the amendment on Voice and Participation by 111 member countries representing at least 85 percent of total voting power is required. As of October 23, 2009, 42 members representing about 64 percent of total voting power had accepted.

In April 2009, the International Monetary and Financial Committee (IMFC), which advises on IMF policies, called for a prompt start to the Fourteenth General Review of Quotas so that it is completed by January 2011—some two years ahead of the original schedule. The Fourteenth General Review is now underway.

In October 2009, the IMFC endorsed a call by G20 leaders for a shift in quota share⁷⁴⁸ to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries using the current quota formula⁷⁴⁹ as the basis to work from. In addition, there is a commitment to protecting the voting share of the poorest members.⁷⁵⁰

⁷⁴⁷ Reform of IMF Quotas and Voice: Responding to Changes in the Global Economy// The official website of International Monetary Fund 7.04.2007. URL: <http://www.imf.org/external/np/exr/ib/2007/041307.htm> (date of access: 15.06.2010).

⁷⁴⁸ Updated IMF Quota Data – September, 2009// The official website of International Monetary Fund, 23.09.2009. URL: <http://www.imf.org/external/np/fin/quotas/2009/091509.htm> (date of access: 15.06.2010).

⁷⁴⁹ Updated IMF Quota Data – 09.2009// The official website of International Monetary Fund, 23.09.2009. URL: <http://www.imf.org/external/np/fin/quotas/2009/091509.htm> (date of access: 15.06.2010).

⁷⁵⁰ Boosting representation of emerging markets and low-income countries// The official website of International Monetary Fund 31.10.2009. URL: <http://www.imf.org/external/np/exr/facts/quotas.htm> (date of access: 15.06.2010).

Multilateral Development Banks (MDBs) are institutions that provide financial support and professional advice for economic and social development activities in developing countries.⁷⁵¹ The term Multilateral Development Banks typically refers to the World Bank Group and four Regional Development Banks:

- The African Development Bank;⁷⁵²
- The Asian Development Bank;⁷⁵³
- The European Bank for Reconstruction and Development;⁷⁵⁴
- The Inter-American Development Bank Group.⁷⁵⁵

Several other banks and funds that lend to developing countries are also identified as multilateral development institutions, and are often grouped together as other Multilateral Financial Institutions. They differ from the MDBs in a more narrow ownership/membership structure or in focusing on special sectors or activities. Among these are:

- International Fund for Agricultural Development (IFAD)⁷⁵⁶
- The Islamic Development Bank (IDB)⁷⁵⁷
- The Nordic Investment Bank (NIB)⁷⁵⁸
- The OPEC Fund for International Development (OPEC Fund)⁷⁵⁹

A number of Sub-Regional Banks, established for development purposes, are also classified as multilateral banks, as they are owned by a group of countries (typically borrowing members and not donors). Among these are banks such as Corporacion Andina de Fomento (CAF)⁷⁶⁰; Caribbean Development Bank (CDB)⁷⁶¹; Central American Bank for Economic Integration (CABEI)⁷⁶²; East African Development Bank (EADB)⁷⁶³; West African Development Bank (BOAD).⁷⁶⁴

Measures undertaken by the G20 countries to provide financial support to the International Development Agency (IDA) and the African Development Fund (ADF) should be considered at first. G20 measures to finance other multilateral development banks should be also counted as compliance.

Commitment Features

The commitment can be divided into two parts. The implementation of the first part of the commitment implies any measures undertaken by G20 members to make a shift in International Monetary Fund (IMF) quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries. These measures can include expressing official country's position and making official statements in favor of 5% shift and proclamation and persuasion of other G20 members to make a shift in International Monetary Fund (IMF) quota share to dynamic emerging markets and developing countries of at least 5% from over-

⁷⁵¹ Multilateral Development Banks// The official website of the World Bank Group. <http://go.worldbank.org/F3REECOMB1> (date of access: 15.06.2010).

⁷⁵² African Development Bank Group. URL: <http://www.afdb.org/>

⁷⁵³ Asian Development Bank URL: <http://www.adb.org/>

⁷⁵⁴ European Bank for Reconstruction and Development URL: <http://www.ebrd.com/>

⁷⁵⁵ Inter – American Development Bank. URL: <http://www.iadb.org/?lang=en>

⁷⁵⁶ International Fund for Agricultural Development. URL: <http://www.ifad.org/>

⁷⁵⁷ The Islamic Development Bank URL: <http://www.isdb.org/irj/portal/anonymous>

⁷⁵⁸ The Nordic Investment Bank URL: <http://www.nib.int/home>

⁷⁵⁹ The OPEC Fund for International Development URL: <http://www.ofid.org/>

⁷⁶⁰ Corporacion Andina de Fomento URL: <http://www.caf.com/view/index.asp?ms=17>

⁷⁶¹ Caribbean Development Bank URL: <http://www.caribank.org/>

⁷⁶² Central American Bank for Economic Integration URL: <http://www.bcie.org/spanish/index.php>

⁷⁶³ East African Development Bank URL: <http://www.transafrica.org/eadb/>

⁷⁶⁴ West African Development Bank URL: <http://www.boad.org/>

represented countries to under-represented countries. This information can be attained from official documents of WB and IMF annual meetings⁷⁶⁵ and G20 members national sources of information.

The second part of the commitment includes the measures of the G20 members to provide Multilateral Development Banks with financial resources and to ensure their concessional lending facilities. The commitment requests that the G20 countries provide finance for all Multilateral Development Funds, but the IDA and ADF are stressed as the main priority.

To comply fully with this commitment the G20 member has to implement both parts of the commitment.

Scoring

-1	The G20 member does not undertake any measures to contribute to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries AND does not provide funds for Multilateral Development Banks, including the IDA and the ADF.
0	The G20 member undertakes any measures to contribute to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries OR provides funds for Multilateral Development Banks, including the IDA and the ADF.
+1	The G20 member undertakes any measures to contribute to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries AND provides funds for Multilateral Development Banks, including the IDA and the ADF.

Assessment:

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina	-1		
Australia		0	
Brazil	-1		
Canada			+1
China	-1		
France			+1
Germany			+1
India	-1		
Indonesia	-1		
Italy		0	
Japan		0	
Republic of Korea			+1
Mexico	-1		
Russian Federation		0	

⁷⁶⁵ Documents. Development Committee of the World Bank Group and International Monetary Fund. URL: <http://go.worldbank.org/SEROYOTZZ0>

Saudi Arabia		0	
South Africa			+1
Turkey	-1		
UK			+1
USA			+1
EU		0	
Compliance Average	0.05		

Country compliance

Argentina: -1

Argentina has not complied with the commitment to undertake measures to contribute to the IMF reform and provide funds for Multilateral Development Funds.

On 5 October 2009, Argentine Minister for Finance and Economy Amado Boudou made a statement regarding the “New International Monetary Fund”. According to A. Boudou, the G20 is now gaining increasing importance, whereas the International Monetary Fund should be adjusted in a corresponding way. The Minister expressed his confidence in the necessity to reform the IMF.⁷⁶⁶

On 7 November 2009, A. Boudou reaffirmed the initiative brought up by Argentina and Brazil to convert the status of the IMF into a technical assistance organization, while the function of taking major decisions should be transferred to the G20.⁷⁶⁷

Despite the statements made by A. Boudou on the role of the International Monetary Fund, steps to achieve the reorganization of the IMF have not been specified or undertaken.

On 5 November 2009, Argentine President Cristina Fernandez de Kirchner called for the need to strengthen multilateral institutions operating in the region during her meeting with the World Bank regional vice president Pamela Cox. However, C. Fernandez de Kirchner did not indicate the steps to achieve the goal on the part of Argentina.⁷⁶⁸

On 23 March 2010, the Inter-American Development Bank (IADF) issued a declaration on the agreement reached by its members in Cancun, Mexico to increase the Bank’s ordinary capital by USD70 billion to reach USD170 billion, which would double its lending capacity to USD12 billion a year.⁷⁶⁹ Although Argentina agreed with the IADF’s decision, no steps to contribute the capital have been made yet.

There were no facts registered regarding Argentina’s contribution to the African Development Fund.

⁷⁶⁶ Boudou: “Hay un nuevo FMI” // The official website of the Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON). 5.10.2009. URL: <http://noticias.mecon.gov.ar/wp-content/uploads/2009/10/gacetilla-boudou-fmi.pdf> (date of access 16.06.2010)

⁷⁶⁷ Boudou: “El Falso Consenso De Washington Es Reemplazado Por El Consenso Del G-20” // The official website of the Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON). 7.11. 2009. URL: <http://noticias.mecon.gov.ar/wp-content/uploads/2009/11/escocia.pdf> (date of access 16.06.2010)

⁷⁶⁸ Argentina Backs World Bank’s Capitalization // The official website of the World Bank. 5.11. 2009. URL: <http://go.worldbank.org/4PAR6EJS90> (date of access 16.06.2010)

⁷⁶⁹ IDB ends annual meeting with historic agreement on capital increase, Haiti aid // The official website of the Inter-American Development Bank. 23.02.2010. URL: <http://www.iadb.org/news-releases/2010-03/english/idb-ends-annual-meeting-with-historic-agreement-on-capital-increase-haiti-aid-6842.html> (date of access 16.06.2010)

Argentina has not taken the initiative to contribute to bolstering the IMF's lending capacity⁷⁷⁰ and has not made pledges to lend additional funds to the IMF.⁷⁷¹

Argentina has not complied with the commitment because it has failed to take a stance on the IMF reorganization and has not made contributions to the Multilateral Development Funds. Thus, it is awarded a score of -1.

Analyst: Polina Arkhipova

Australia: 0

Australia has undertaken some measures to contribute to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries and has partially provided funds for Multilateral Development Funds, including to the ADF.

6 October 2009, Senator the Hon Nick Sherry declared that "Australia supports a further significant redistribution of quota shares in the new round of reforms to be agreed by January 2011. We support the G20's call that this should include a shift to dynamic emerging market and developing countries of at least five per cent from over-represented to under-represented countries. We support this shift being based on the current IMF quota formula. At the World Bank, the timeframe is shorter and the task is more complex. Australia supports developing a simple, credible, and transparent formula that primarily reflects countries' evolving economic weight and the World Bank's development mandate. We support the G20's call for shareholding reforms to focus on increasing the shareholding of countries under-represented against such a formula. And that this realignment should result in a significant increase of at least 3 per cent of voting power for developing and transition countries."⁷⁷²

19 March 2010, 67 members have accepted the Amendment on Voice and Participation, and 64 members have accepted the Amendment to Expand the Fund's Investment Authority, with these members and the date that their acceptance was recorded by the Fund listed below. Australia has accepted both of them on 9 September 2009⁷⁷³.

13 January 2010, Viet Nam's low-lying and flood-prone Mekong Delta region will get support from Australia and the Asian Development Bank (ADB) to help cope with the potentially devastating impacts of climate change. The total cost of the project is \$1.63 million equivalent, with the Government of Australia, providing an \$800,000 grant, which will be administered by ADB. ADB is supplying \$500,000 from its Climate Change Fund, while the Government of Viet Nam will provide the remaining USD330,000. The Ministry of Natural Resources and Environment is the executing agency for the project, which will be carried out from January 2010 to April 2011⁷⁷⁴.

18 March 2010, the Minister for Foreign Affairs, Stephen Smith, together with the Secretary General of the Pacific Islands Forum Secretariat, Mr Tuiloma Neroni Slade, signed a Memorandum of Understanding at Parliament House. The Memorandum will provide a contribution from Australia of more than USD10 million in the next two years, continuing the support to the Pacific Islands Forum Secretariat. It also provides significant new resources to support the implementation of the Cairns

⁷⁷⁰ Bolstering the IMF's Lending Capacity // The official website of the IMF. 9.04.2010. URL: <http://www.imf.org/external/np/exr/faq/contribution.htm> (date of access 16.06.2010)

⁷⁷¹ IMF Standing Borrowing Arrangements // The official website of the IMF. 14.04.2010. URL: <http://www.imf.org/external/np/exr/facts/gabnab.htm> (date of access 16.06.2010)

⁷⁷² Governor's Speech. Temporary Alternate Governor of the Fund and the Bank for Australia at the Joint Annual Discussion. Istanbul Congress Centre // The official website of the Hon Simon Crean MP, Australian Minister for Trade. 06.10.2009. URL: http://www.trademinister.gov.au/transcripts/2010/100224_ds.html (date of access: 04.05.2010).

⁷⁷³ Australia furthers commitment to Pacific Islands Forum // The official website of the Commonwealth of Australia. 19.03.2010. URL: http://www.ausaid.gov.au/hottopics/topic.cfm?ID=7628_324_5138_9733_9736 (date of access: 20.03.2010).

⁷⁷⁴ Australia, ADB Help Protect Viet Nam's Mekong Delta from Climate Change // The official website of ADB. 13.02.2010. URL: <http://www.adb.org/Media/Articles/2010/13136-vietnamese-climate-change-adaptations/> (date of access: 05.05.2010).

Compact—a commitment to lifting economic and development performance in the Pacific region and achieving real progress against the Millennium Development Goals⁷⁷⁵.

As Australia has expressed support to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries and has partially provided funds for Multilateral Development Funds, including to the ADF, it is awarded with a score of 0.

Analyst: Daria Frolova

Brazil: -1

Brazil has failed to comply with its commitment to a shift in International Monetary Fund (IMF) quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries using the current quota formula as the basis to work from, and to ensure that the Multilateral Development Banks and their concessional lending facilities, especially the International Development Agency (IDA) and the African Development Fund, are appropriately funded.

No facts of the measures on promotion of more balanced current accounts by Brazil during the compliance cycle have been registered.

No facts of the measures on provision of funds for Multilateral Development Banks, including the International Development Agency (IDA) and the African Development Fund (ADF) by Brazil during the compliance cycle have been registered.

Brazil has not complied with the commitment because it has failed to take a stance on the IMF reorganization and has not made contributions to the Multilateral Development Funds. Thus, it is awarded a score of -1.

Analyst: Polina Cherepova

Canada: +1

Canada has fully complied with its commitment to put efforts into international financial institution reform.

On 30 September 2009, Jim Flaherty, Minister of Finance, introduced the Economic Recovery Act in the House of Commons. The Economic Recovery Act will implement key measures in Canada's Economic Action Plan. Among them - giving small and low-income countries a bigger voice at the International Monetary Fund (IMF) and strengthening Canada's commitment to debt relief by implementing amendments proposed by the Board of Governors of the IMF to the Bretton Woods and Related Agreements Act.⁷⁷⁶

On 4 October 2009, at the twentieth meeting of International Monetary and Financial Committee James Flaherty in his speech stressed the necessity of shifting in quota share to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries and to protect the voting share of the poorest in the IMF.⁷⁷⁷

On 28 September 2009, Thierry de Longuemar, the African Development Bank (AfDB) Vice President, has hailed Canada's decision to temporarily make available USD2.6 billion to the AfDB to

⁷⁷⁵ Acceptances of the Proposed Amendments of the Articles of Agreement // The official website of IMF. 19.03.2010. URL: <http://www.imf.org/external/np/sec/misc/consents.htm#a1> (date of access: 20.03.2010).

⁷⁷⁶ Government of Canada Acts to Boost Economic recovery and Promote Stability// The official website of Department of Finance Canada 30.09.2009. URL: <http://www.fin.gc.ca/n08/09-090-eng.asp> (date of access: 11.02.2010).

⁷⁷⁷ Statement by James Michael Flaherty// The official website of International Monetary Fund 4.10.2009. URL: <http://www.imf.org/External/AM/2009/imfc/statement/eng/can.pdf> (date of access: 12.02.2010).

enable it address the impact of the global financial crisis on African economies. It would help facilitate trade, private sector activities, including in the low income countries, and to promote growth.⁷⁷⁸

On March 2010, in the officially publicized Budget the Government of Canada committed to double international assistance by increasing the International Assistance Envelope, the principal means by which Canada allocates foreign aid, by USD364 million, bringing it to USD5 billion in ongoing annual support and by providing a further USD800 million of loan resources and USD40 million in subsidy resources to support concessional lending to the poorest countries through the International Monetary Fund's Poverty Reduction and Growth Trust.⁷⁷⁹

Canada undertook measures to contribute to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries and provided funds for Multilateral Development Funds, including to the ADF. Therefore Canada can be awarded with the score +1 for full compliance.

Analyst: Julia Ovchinnikova

China: -1

Canada has failed to comply with its commitment to put efforts into international financial institution reform.

On 5 October 2009, Chinese Deputy Governor of the Central Bank Yi Gang made the remarks at the 20th meeting of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund in Istanbul. He said China supports an increase of IMF structural resources in various ways. But he stressed that the quota share is the main resource of the IMF organization, urging the IMF to establish quota share automatic readjusting mechanism in a bid to reflect changes of economic positions of different countries.⁷⁸⁰

On 20 January 2010, the China-Africa Development Fund has invested nearly USD540 million to support 27 projects in Africa, which will likely lead to investment of about USD3.6 billion in the continent by Chinese companies".⁷⁸¹

China has failed to take a stance on the IMF reorganization and has not made contributions to the Multilateral Development Funds. Thus, it is awarded a score of -1.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its commitment on International Financial Institutions Reform.

France accepted the Amendment on Voice and Participation in the IMF in 2008.⁷⁸²

On 6 October 2009, at the Joint Annual Discussion of Boards of Governors, in Istanbul, the Alternate Governor of the Fund, Hon. Christian Noyer, confirmed that France will "participate actively in the work which calls for a shift of quotas with a view to achieving better representation of dynamic

⁷⁷⁸ AfDB Finance Vice President on Canada's Decision to Increase Callable Capital, African development Bank Group official website, 28.09.2009. URL: <http://www.afdb.org/en/news-events/article/afdb-finance-vice-president-on-canadas-decision-to-increase-callable-capital-5132/> (date of access: 11.02.2010).

⁷⁷⁹ Chapter 3.5: Honouring Canada's International Commitments//The official website of the Department of Finance Canada 4.02.2010. URL: <http://www.budget.gc.ca/2010/plan/chap3e-eng.html> (date of access: 11.06.2010).

⁷⁸⁰ China urges IMF quota share adjustments // China Daily News Agency. 05.10.2009. URL: http://www.chinadaily.com.cn/china/2009-10/05/content_8764189.htm, <http://www.cnffi.com/2010/0319/163650.html> (date of access: 05.10.2009).

⁷⁸¹ China-Africa Development Fund Invested Nearly USD540 Million So Far // The official website of the National Association of Securities Dealers Automated Quotation.20.01.2010. URL: <http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201001190340dowjonesdjo> (date of access: 20.01.2010).

⁷⁸² Acceptances of the Proposed Amendments of the Articles of Agreement// The official website of the IMF. URL: <http://www.imf.org/external/np/sec/misc/consents.htm>

emerging markets and developing countries” within the international financial institutions.⁷⁸³

On 25 April 2010, French Finance Minister Christine Lagarde attended the 81st Meeting of the Joint Ministerial Committee of the Board of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries. Minister Lagarde released a statement in which she reiterated France’s support for the reallocation of voting rights. Minister Lagarde also stated that the corporate governance of international financial institutions should be further reformed. The statement read, “Governance reform also means greater openness in the process of selecting the next president of the World Bank, in which nationality can no longer be used as a criterion.”⁷⁸⁴

According to the 2009 France was the largest bilateral donor of the African Development Bank (AfDB). It has also provided EUR6 million to the AfDB multidonor thematic funds.⁷⁸⁵

France has taken measures to reform quota system in the IMF and provided resources for the AfDB. Thus it has been awarded a score of +1.

Analyst: Mark Raknmangulov

Germany: +1

Germany has fully complied with its G20 commitment on international financial institutions reform.

On 2 April 2009, Germany accepted the amendment on voice and participation in the IMF.⁷⁸⁶

On 19 March 2010 on the eve of the Annual Meeting of Inter-American Development Bank Parliamentary State Secretary Gudrun Kopp said: “Notwithstanding its difficult budget situation, Germany is aware of its responsibility in the Inter-American Development Bank. We will use the meeting to work toward making the IDB financially stronger so that it can continue to live up to its mandate of reducing poverty and overcoming the current economic and financial crisis in Latin America and the Caribbean. In the G20 process, Germany has committed itself to supporting the multilateral development banks in the case of crisis-related capital shortages. Now we want to fill that announcement with life.”⁷⁸⁷

On 29 April 2010, World Bank President Robert Zoellick and Dr. Ulrich Schröder, Chairman of the Managing Board of KfW Bankengruppe, signed a contract in the presence of Federal Minister Dirk Niebel on a KfW Entwicklungsbank loan to the World Bank for 500 million euros. Through this reduced-interest KfW loan, the BMZ supports the Clean Technology Fund. The CTF is one of the World Bank’s Climate Investment Funds and finances large-scale mitigation technology programs in advanced developing countries and emerging economies.⁷⁸⁸

⁷⁸³ Statement by the Hon. Christian Noyer, Alternate Governor of the Fund for France at the Joint Annual Discussion, International Monetary Fund (Istanbul) 6-7.10.2009. URL: www.imf.org/external/am/2009/speeches/pr23e.pdf (date of access: 4.12. 2009).

⁷⁸⁴ Statement by Christine Lagarde Minister for the Economy, Industry and Employment France// The official website of the WB. 25.04.2010. (date of access: 30.04.2010). URL: http://siteresources.worldbank.org/DEVCOMMIT/Documentation/22555913/DCS2010-0016_E_-France.pdf (date of access: 11.02.2010).

⁷⁸⁵ 2009 Annual Report of the African Development Bank// The official website of the African Development Bank. 05. 27-28, 2010. URL: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Annual%20Report%202009%20EN%20-%20Web.pdf> (date of access: 11.02.2010).

⁷⁸⁶ Countries that have Accepted the Amendment on Voice and Participation (as of the date of the last update above) // the official web site of the International Monetary Fund. URL: <http://www.imf.org/external/np/sec/misc/consents.htm> (date of access: 31.02.2010).

⁷⁸⁷ Kopp to attend Annual Meeting of Inter-American Development Bank// the official web site of the German Federal Ministry of Economic Cooperation and Development. 19.03.2010. URL: http://www.bmz.de/en/press/pm/2010/march/pm_20100319_44.html (date of access: 31.02.2010).

⁷⁸⁸ World Bank President Zoellick visits BMZ – 500-million-euro loan for climate protection// the official web site of the German Federal Ministry of Economic Cooperation and Development. 29.04.2010 http://www.bmz.de/en/press/aktuelleMeldungen/2010/april/20100429_weltbank/index.html (date of access: 31.02.2010).

Germany has fully complied with the G20 commitment on IFI reform, having provided funds to World Bank, and is awarded a score of +1.

Analyst: Yuriy Zaytsev

India: -1

India has not complied with its commitments to a shift in International Monetary Fund quota share to dynamic emerging markets and developing countries of at least 5 % and to ensure that the Multilateral Development Banks and their concessional lending facilities are appropriately funded.

In April 2010, Reserve Bank of India governor D. Subbarao said, that India reiterated its call for at least a 7% shift in quota shares in favour of emerging markets and developing countries as a group.⁷⁸⁹ But India has not undertaken any steps to contribute to a shift in IMF quota share.

During the monitoring period India has not provided any funds for Multilateral Development Banks.

Thus India has not undertaken any measures to a shift in International Monetary Fund quota share to dynamic emerging markets and developing countries of at least 5 % and to ensure that the Multilateral Development Banks and their concessional lending facilities are appropriately funded. So India has been awarded with a score of -1.

Analyst: Igor Churkin

Indonesia: -1

Indonesia has not complied with its commitments to a shift in International Monetary Fund quota share to dynamic emerging markets and developing countries of at least 5 % and to ensure that the Multilateral Development Banks and their concessional lending facilities are appropriately funded.

During the period of monitoring no measures to comply with G20 commitment on IFI reform have been registered.

There is no applicable information related to compliance of this commitment. As a result, Indonesia receives a score of -1.

Analyst: Maria Tyurikova

Italy: 0

Italy has partially complied with its commitment to contribute to a shift in the IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries and to ensure that the MDBs are appropriately funded.

On 4 October 2009, the Minister of Economy and Finance of Italy Giulio Tremonti at the Twentieth Meeting of the International Monetary and Financial Committee stated* that “the implied shift in quotas should be formula-based in order to better reflect changes in the world economy and guarantee an equal treatment to all IMF members. In this regard, we see no reason to modify the current formula which appropriately reflects the mandate and purpose of the IMF.”⁷⁹⁰

On 5 October 2009, the Governor of the Bank of Italy Mario Draghi in the statement at the Eightieth meeting of the Development Committee recommitted* “to reach an agreement on the new shareholding arrangement by the 2010 Spring Meetings”. He pointed out that “as the voice review enters its final

⁷⁸⁹ India demands 7% quota shift to emerging nations on IMF board // // the official web site of the Economist Times. 26.04.2010. URL: <http://economictimes.indiatimes.com/news/news-by-industry/banking/finance/finance/India-demands-7-quota-shift-to-emerging-nations-on-IMF-board/articleshow/5857435.cms> (date of access: 26.04.2010).

* On behalf of Albania, Greece, Italy, Malta, Portugal, San Marino and Timor Leste.

⁷⁹⁰ Statement by Giulio Tremonti Minister of Economy and Finance Italy // The official website of the International Monetary Fund. 04.10.2009. URL: <http://www.imf.org/External/AM/2009/imfc/statement/eng/ita.pdf> (date of access: 26.04.2010).

* On behalf of Albania, Greece, Italy, Malta, Portugal, San Marino and Timor Leste.

stage we should be mindful that the criteria for shareholding representation should meet the acid test of good corporate governance and alignment with IBRD's (International Bank for Reconstruction and Development) own mission. Namely, we should avoid potential conflicts of interests that would arise by considering IBRD borrowing among the criteria relevant to the shareholding review. Similarly, no incentive should induce clients to postpone IBRD graduation as in the case where a falling level of debt to the IBRD would have a negative impact on their voice."⁷⁹¹

At the meeting of the Development Committee, on 29 April 2009, the Governor of the Bank of Italy invited "Management, in close interaction with the Board, to prepare concrete criteria and options for shareholding realignment to be submitted for Governors' future consideration, with a view to reaching a broad consensus on realignment by the 2010 Spring Meetings."⁷⁹²

On 24 April 2010, at the Twenty-First Meeting of the International Monetary and Finance Committee Giulio Tremonti announced⁷⁹³ that they "strongly oppose reopening the debate on quota formula. It would be very difficult to reach an agreement within the tight timeframe, since it would be necessary to reconsider all aspects of the formula (weights, variables definitions, compression factor, financial contribution to the Fund, etc.), and the current formula has proven to be valid in capturing the recent growth patterns of both advanced and emerging countries (as results from the calculated quota shares updated with the WEO 2009 data used in the IMF paper)."⁷⁹⁴

On October 20-21 2009, the ADF-11 Mid-Term Review (MTR) was held in Helsinki, Finland, to review inter alia the achievements of the Fund. The meeting also served as the initial forum for the ADF-12 replenishment process took place on 22-23 February 2010 in Helsinki, Finland.⁷⁹⁵ According to the ADF-11 Resource allocation discussion paper, Italy has not yet deposited⁷⁹⁶ its Instrument of Subscription but pledged UA194,642,996 during the final replenishment meeting of the ADF.⁷⁹⁷

On 23 December 2009, the Italian Government approved the Financial Law 2010 (Legge del 23/12/2009 n. 191⁷⁹⁸). According to the Law the sum of EUR130 million will be allocated in 2010 for complying with Italian government's commitment deriving from its participation in the international banks and funds. The resources for the international banks and funds were assigned by the Decree n. 78⁷⁹⁹ (1 July 2009) as immediate expenses.

On 3-4 March 2010, the First IDA16 Replenishment meeting took place in Paris, France.⁸⁰⁰ As of 31 January 2010 Italy has submitted its Instruments of Commitment (IoCs) to IDA15 (in the amount of EUR849.85 million, including additional contributions received after the IDA15 replenishment

⁷⁹¹ Statement by Mr. Mario Draghi Governor of the Bank of Italy, Eightieth meeting of the Development Committee // The official website of the World Bank. 05.10.2009. URL: <http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22338895/DCS2009-0063-Italy.pdf> (date of access: 20.04.2010).

⁷⁹² Statements submitted to the Seventy ninth meeting of the Development Committee // The World Bank. 26.04.2009. URL: <http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22263551/DC2009-0008SummaryDocument.pdf> (date of access: 21.04.2010).

⁷⁹³ On behalf of Albania, Greece, Italy, Malta, Portugal, San Marino and Timor Leste.

⁷⁹⁴ Statement by Giulio Tremonti Minister of Economy and Finance // The official website of the International Monetary Fund. 24.04.2010. URL: <http://www.imf.org/External/spring/2010/imfc/statement/eng/ita.pdf> (date of access: 26.04.2010).

⁷⁹⁵ ADF 12 Replenishment Meetings // The official website of the African Development Bank Group. URL: <http://www.afdb.org/en/about-us/african-development-fund-adf/adf-12/> (date of access: 22.04.2010).

⁷⁹⁶ As of 09. 4, 2009

⁷⁹⁷ ADF-11 Resources Allocation Discussion Paper // The official website of the African Development Bank Group. 10.2009. URL: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/DP%20ADF-11%20Resource%20Allocation.FINAL.EN.pdf> (date of access: 22.04.2010).

⁷⁹⁸ Legge del 23/12/2009 n. 191 // The official website of the Italian Government. 23.12.2009. URL: http://governo.it/GovernoAzione/politiche_economiche/manovra_2010/Legge_191_09.pdf (date of access: 21.04.2010).

⁷⁹⁹ Testo coordinato del Decreto-Legge 1 luglio 2009, n. 78 // The Italian Government. 03.08.2009. URL: http://www.governo.it/GovernoInforma/Dossier/decreto_anticrisi260609/decreto_anticrisi_convertito.pdf (date of access: 21.04.2010).

⁸⁰⁰ IDA16 Replenishment // The official website of the International Development Assistance. URL: <http://go.worldbank.org/O5NIRLMEE0> (date of access: 17.03.2010).

negotiations), but has not submitted unqualified IoCs. IDA did not receive installment payments (installment past due) from Italy. As of 31 January 2010 Italy's contribution remains unpaid for more than 3 months.⁸⁰¹

On 14 April 2010, the Foreign Ministry of Italy issued the multi-annual Programming Guidelines and Directions for 2010-2012. According to the Guidelines, Italy expects to pay approximately EUR430 million to multilateral development funds and EUR10 million to the Multilateral Debt Reduction Initiative (MDRI) in the 2010 fiscal year.⁸⁰²

The Programming Guidelines and Directions for 2010-2012 suppose also continuation of the collaboration with the Inter-American Development Bank (IDB), Corporación Andina de Fomento (CAF) and the Central American Bank for Economic Integration (CABEI). The work with the IDB will continue, in a significantly reduced way, to focus on the needs of the private sector by providing funds for greater regional competitiveness, micro-enterprises and technical assistance as well as environmental sustainability. Work with the Inter-American Investment Corporation, which belongs to the IDB group, will be focused on aid for trade.⁸⁰³

Thus, Italy has been awarded a score 0 for retaining a reserved position on a shift in the IMF quota share to dynamic emerging markets and developing countries of at least 5% from over-represented countries to under-represented countries, but for providing funds for the MDBs.

Analyst: Anna Vekshina

Japan: 0

Japan has partially complied with its G20 commitment on IFIs reform.

On 4 October 2009, at the Twentieth Meeting of the International Monetary and Financial Committee the Hon. Hirohisa Fujii Minister of Finance of Japan and Governor of the IMF for Japan stated, "...it is necessary to put into effect the agreements, regarding IMF quota increases and raising basic votes reached in April 2008."⁸⁰⁴ The same was communicated by the Senior Vice Minister of Finance of Japan Naoki Minezaki at the 80th WB/IMF Development Committee on 5 October 2009.⁸⁰⁵ However, it does not constitute compliance with the first part of the commitment.

Japan has also provided financing to several Multilateral Development Banks.

On 22 March 2010, at the 51st Annual meeting of Inter-American Development Bank (IDB), Rintaro Tamaki, Vice Minister of Finance for International Affairs expressed support for the 9th General Capital Increase (GCI) by IDB⁸⁰⁶. The 9th GCI is aimed at increasing the Bank's ordinary capital by

⁸⁰¹ A Review of IDA's Long Term Financial Capaciti and Financial Instruments // the official web site of the International Development Association. 02.2010. URL: http://siteresources.worldbank.org/IDA/Resources/IDA16-Long_Term_Financing.pdf (date of access: 17.03.2010).

⁸⁰² Italian Development Co-operation 2010-2012. Programming guidelines and directions. // the official web site of the Ministry of Foreign Affairs of Italy. 14.04.2010. URL: http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/LineeGuida/pdf/Linee_Guida2010-2012_engl.pdf (date of access: 14.04.2010).

⁸⁰³ Italian Development Co-operation 2010-2012. Programming guidelines and directions. // the official web site of the Ministry of Foreign Affairs of Italy. 14.04.2010. URL: http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/LineeGuida/pdf/Linee_Guida2010-2012_engl.pdf (date of access: 14.04.2010).

⁸⁰⁴ Statement by the Hon. Hirohisa Fujii Minister of Finance of Japan and Governor of the IMF for Japan at the Twentieth Meeting of the International Monetary and Financial Committee // Ministry of Finance Japan. 04.10.2009. URL: http://www.mof.go.jp/english/if/imfc_091004st.pdf (date of access: 14.04.2010).

⁸⁰⁵ Statement by Hon. Naoki Minezaki Senior Vice Minister of Finance of Japan at the 80th Meeting of the World Bank/IMF Joint Development Committee, World Bank/IMF. 05.10.2009. URL: http://www.mof.go.jp/english/if/wb_imf_091005st.pdf (date of access: 14.04.2010).

⁸⁰⁶ Statement by Rintaro Tamaki, Vice Minister of Finance for International Affairs, Ministry of Finance of Japan at The Fifty-first Annual Meeting of The Inter-American Development Bank and The Twenty-Fifth Annual Meeting of The Inter-American Investment Corporation // Inter-American Development Bank. 22.03.2010. URL: <http://www5.iadb.org/trustfunds/Funds/Projects.aspx?DonorId=JP&DonorName=JAPAN> (date of access: 14.04.2010).

USD70 billion, the largest expansion of resources in the Bank's history, to provide financial support to Haiti and replenish the Fund for Special Operations, which finances operations in the region's poorest nations.

During the period from 26 September 2009 till 20 April 2010, Japan provided a total of USD6.6 million as grant aid through Fund for African Private Sector Assistance (FAPA). The Fund is a component of the Enhanced Private Sector Assistance Initiative (EPSA), a joint initiative of Japan and the AfDB to promote private sector development in Africa.

Japan is also co-financing two funds with the Asian development bank – Japan Special Fund (JSF) and Japan Fund for Poverty Reduction (JFPR). As of 31 December 2009, nearly USD7 million were provided through JSF⁸⁰⁷, and USD11.3 million – through JFPR⁸⁰⁸ to finance development projects in Bangladesh, India, Mongolia, and other Asian countries. In 2010, USD40 million is an indicative budget allocation for JFPR projects.⁸⁰⁹

On 14 April 2010, the Asian Development Bank and ASEAN+3 nations (China, Japan, and the Republic of Korea), announced establishment of a jointly owned credit guarantee facility with the total amount of USD 700 million, which is aimed at promoting financial stability and boosting long-term investment in the region. Japan will contribute USD200 million to the facility.⁸¹⁰

Thus, Japan has implemented only the second part of the commitment, having provided financial resources to MDBs, and thus, is awarded a score of 0 for partial compliance.

Analyst: Ekaterina Maslovskaya

Republic of Korea: +1

The Republic of Korea has fully complied with its G20 commitment on IFIs reform.

On 22 January 2009, the Republic of Korea accepted the amendment on voice and participation in IMF.⁸¹¹ In accordance with a programme of a quota shares reform the Korea's voice share is to increase by more than 0,6 per cent percentage points from 1,3 pre cent now, which is the second largest increase of voting share after China (about 1 per cent).⁸¹²

The Republic of Korea has provided funds for Multilateral Development Funds.

From 1 January to 4 November 2009, Korea provided trust fund utilization approvals for African Development Bank of about USD1.7 million, which is 12,95 per cent of the trust fund utilization volume.⁸¹³

In late September 2009, Korea signed an agreement on provision about USD294 million to prevent the curtailing of the African Development Bank's financing goals. This development contribution will allow the Bank to maintain its prudential ratios within the limits up to the end of 2010.⁸¹⁴

⁸⁰⁷ Japan Special Fund – ADB Technical Assistance Approvals, 2009 // Asian Development Bank. 31.12.2009. URL: <http://www.adb.org/JSF/approvals-2009.pdf> (date of access: 14.04.2010).

⁸⁰⁸ Japan Fund for Poverty Reduction - Grants Approved in 2009 // Asian Development Bank. 31.12.2009. URL: <http://www.adb.org/JFPR/jfpr2009.asp> (date of access: 20.04.2010).

⁸⁰⁹ Japan Fund for Poverty Reduction (JFPR). 2010 Policy Guidelines for JFPR Project Grants // Asian Development Bank 02.03.2010. URL: <http://www.adb.org/Documents/Guidelines/JFPR/jfpr-project-grants-policy-guidelines-2010.pdf> (date of access: 20.04.2010).

⁸¹⁰ ADB to Contribute to ASEAN+3 Credit Guarantee Facility // Asian Development Bank. 14.04.2010. URL: <http://www.adb.org/media/Articles/2010/13200-asian-credits-guarantees/> (date of access: 20.04.2010).

⁸¹¹ Acceptances of the Proposed Amendments of the Articles of Agreement // The official web site of IMF. URL: <http://www.imf.org/external/np/sec/misc/consents.htm> (date of access: 20.04.2010).

⁸¹² Country Representation // The official website of the International Monetary Fund. URL: <http://www.imf.org/external/about/govrep.htm> (date of access: 20.04.2010).

⁸¹³ The 2010-2012 Programme and Budget // The official website of the African Development Bank. URL: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Budget-Documents/THE%202010-2012%20PROGRAMME%20AND%20BUDGET%20PROPOSALS.pdf> (date of access: 20.04.2010).

On 25 November 2009, the OECD Development Assistance Committee (DAC) welcomed South Korea as its newest member. The Committee made its decision in a special session, during which Mr. Oh Joon, Korean Deputy Minister of Foreign Affairs, noted Korea's eagerness to share its development experience – and success. Korea relied heavily on foreign assistance to rebuild its economy, receiving a total of USD13 billion between 1945 – when it became independent – and the late 1990s. Today, it is a major global economy. Next year, the country will chair the G20. And its aid to other countries – in particular in Asia – was USD803 million in 2008, up from USD696 million just one year earlier.⁸¹⁵

The Republic of Korea supports the shift of voting powers distribution reform, being the second underrepresented economy after China. Korea also provided financial aid to Multilateral Developments Funds. Thus, Korea receives a score of +1.

Analyst: Alexander Simonov

Mexico: -1

Mexico has failed to comply with its G20 commitment on IFIs reform.

On 19 April 2010, the Mexican Foreign Secretary and the South African Foreign Minister agreed to work together to strengthen the G20 in order to guarantee that the interests of the developing countries are taken into account in this important forum of economic and financial cooperation.⁸¹⁶

There were no facts registered during the compliance period. Thus, Mexico is awarded a score of -1.

Analyst: Natalya Zlokazova

Russia: 0

Russia has partially complied with the commitment on International Financial Institutions Reform.

Russia hasn't yet accepted the Amendment on Voice and Participation in the IMF.⁸¹⁷ During the Spring Meetings of the IMF and the World Bank Russia's Deputy Prime-Minister and Minister of Finance Alexei Kudrin expressed hope that Russia's quota in the IMF wouldn't decrease after the reform.⁸¹⁸

On 3 October 2009, the Russian Government signed a USD50 million grant with the World Bank to help finance its Rapid Social Response (RSR) Multi-Donor Trust Fund Facility. The Russian grant will be disbursed into the Trust Fund over the course of the next three years.⁸¹⁹

Russia hasn't contributed to a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5 per cent from over-represented countries to under-represented countries but provided funds for Multilateral Development Banks. Thus it has been awarded a score of 0.

⁸¹⁴ The 2010-2012 Programme and Budget // The official website of the African Development Bank. URL:

<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Budget-Documents/THE%202010-2012%20PROGRAMME%20AND%20BUDGET%20PROPOSALS.pdf> (date of access: 20.04.2010).

⁸¹⁵ OECD Development Assistance Committee (DAC) welcomes Korean membership // The official website of the OECD. URL: http://www.oecd.org/document/50/0,3343,en_2649_33721_44141618_1_1_1_1.00.html; The 2010-2012 Programme and Budget // The official website of the African Development Bank. URL:

<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Budget-Documents/THE%202010-2012%20PROGRAMME%20AND%20BUDGET%20PROPOSALS.pdf> (date of access: 20.04.2010).

⁸¹⁶ Mexico and South Africa Hold the First Meeting of the Binational Commission. Press Release. Secretaria de Relaciones Exteriores. 19 April 2010 Date of access: 21 April 2010

http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=522&Itemid=9

⁸¹⁷ Acceptances of the Proposed Amendments of the Articles of Agreement. 02 June 2010.

<http://www.imf.org/external/np/sec/misc/consents.htm>

⁸¹⁸ A.L. Kudrin Statements During the Spring Meetings of the IMF and the World Bank 24 April 2010.

<http://www1.minfin.ru/ru/press/speech/index.php?pg4=2&id4=9600>

⁸¹⁹ Russia Signs US \$ 50 million grant for World Bank to Help Developing Countries Protect Poor and Vulnerable People During Crisis, World Bank 3 October 2009. Date of Access: 8 December 2009. <http://go.worldbank.org/E6OAXYQHC0>.

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to promote the voting shift in International Monetary Fund (IMF) in favor of dynamic emerging markets and developing countries and to ensure that the Multilateral Development Banks are appropriately funded.

Saudi Finance Minister Ibrahim Al-Assaf said that the Kingdom supports plans to increase the voting power of developing countries in the IMF, but not at the expense of Saudi Arabia. "This reform shouldn't be carried out at the expense of other developing countries, but at the expense of developed countries, which are overrepresented in the fund. Al-Assaf said that the position of Saudi Arabia as a major force in the international oil markets is based on maintaining its weight in the IMF. This is due to the fact that the Kingdom is a key player in the global economy, taking into account the impact of oil market events on the global wellbeing. Therefore, the position of SA lies in the inadmissibility of affecting its voting credits in the process of IMF reform⁸²⁰.

No facts of Saudi Arabia donation to the Multilateral Development Banks have been registered during the compliance period.

Due to the fact, that country officially supports the realization of the voting power shift in the IMF, but did not participate in creation of funds of Multilateral Development Banks, Saudi Arabia is awarded a score of 0.

Analyst: Maria Datsik

South Africa: +1

South Africa has fully complied with the commitment to take a shift in the International Monetary Fund (IMF) quota share to dynamic emerging markets and developing countries of at least 5 per cent from over-represented countries to under-represented countries and have taken the measures to provide the Multilateral Development Banks (MDBs) with appropriate funds.

On 21 October 2009, the Deputy President K. Motlanthe answering to parliamentary questions in the National Assembly emphasised that "the reforms that South Africa is calling for relate mainly to the following areas: review of the quota shares and improving the governance systems to enhance the voice of developing countries". Regarding the quota shifts of 5 per cent at the IMF K. Motlanthe added that "the planned reforms will impact on South Africa's quota shares, which are expected to be realigned accordingly as under-represented countries get more shares. South Africa will, however, have an increased voice as reforms are implemented."⁸²¹

On 23 March 2010, the Department of International Relations and Cooperation published the Strategic Plan 2010-2013. In the Plan it is mentioned that at the G20 Summits in Washington and London, South Africa stressed the need for developed countries "to ensure a stronger voice and representation for developing countries in the International Monetary Fund and World Bank".⁸²² Promoting the reform of the international financial architecture, including increasing the voice and representation of South Africa, is the first priority in the area "Participate in the global system of governance" in the Strategic Plan. The country are going to reach the objective participating in identified meetings and

⁸²⁰ Finance ministers of the G20 are discussing the third summit agenda // Asharqia Chamber- Chamber of commerce and Industry. 03.04.2009. URL: <http://www.chamber.org.sa/Arabic/MediaCenter/BusinessNews/Pages/9632659635268.aspx> (date of access: 24.04.2010).

⁸²¹ Deputy President K Motlanthe: Oral replies to Parliamentary Questions, National Assembly. // The official website of the South African Government. 21.10.2009. URL: <http://www.info.gov.za/speeches/2009/09102116351001.htm> (date of access: 10.03.2010).

⁸²² Strategic Plan 2010-2013 // The Department of International Relations and Cooperation of the South Africa. 23.03.2010. URL: <http://www.dirco.gov.za/departement/strategic%20plan%202010-2013/strategic%20plan%202010-2013.pdf> (date of access: 22.04.2010).

supporting national participation in the debate on the reform of the international financial architecture.⁸²³

On 20-21 October 2009, the ADF-11 Mid-Term Review (MTR) was held in Helsinki, Finland, to review inter alia the achievements of the Fund. The meeting also served as the initial forum for the ADF-12 replenishment process.⁸²⁴ According to the ADF-11 Resource Allocation Discussion Paper, South Africa have paid⁸²⁵ ZAR4.1 million (USD0.5 million) (about 67 per cent of the subscribed sum) to the ADF.⁸²⁶

On 3-4 March 2010 the First IDA16 Replenishment Meeting took place in Paris, France.⁸²⁷ As of 31 January 2010 South Africa has submitted its Instruments of Commitment (IoCs) to IDA15 (in the amount of ZAR204 million (USD26.6 million) including additional contributions received after the IDA15 replenishment negotiations). IDA has received both installment payments from South Africa.⁸²⁸

Thus, South Africa has contributed to a shift in IMF quota share expressing country's position on the matter, and has provided funds for the IDA and the ADF. Consequently, South Africa has been awarded a score of +1 for full compliance with the commitment.

Analyst: Anna Vekshina

Turkey: -1

Turkey has failed to comply with the G20 commitment on IFIs reform.

Turkey's quota in the International Monetary Fund (IMF) will increase to more than 1 per cent under the new reforms which are expected to be high on agenda of this year's meeting of the fund. IMF sources told the Anatolia news agency that Turkey's ad hoc quota, which currently stands at 0.6 per cent, would be increased to 1-1.5 per cent.⁸²⁹

No facts of Turkey contribution to IDBs have been registered. Thus, Turkey is awarded a score of -1.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The UK has fully complied with its G20 IFIs reform commitment.

The UK calls for the quota reform in the IMF and makes considerable contributions to the multilateral development banks.

⁸²³ Strategic Plan 2010-2013 // The Department of International Relations and Cooperation of the South Africa. 23.03.2010. URL: <http://www.dirco.gov.za/departement/strategic%20plan%202010-2013/strategic%20plan%202010-2013.pdf> (date of access: 22.04.2010).

⁸²⁴ ADF 12 Replenishment Meetings // The official website of the African Development Bank Group. URL: <http://www.afdb.org/en/about-us/african-development-fund-adf/adf-12/> (date of access: 22.04.2010).

⁸²⁵ As of 4 September, 2009

⁸²⁶ ADF-11 Resources Allocation Discussion Paper // The official website of the African Development Bank Group. October 2009. URL: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/DP%20ADF-11%20Resource%20Allocation.FINAL.EN.pdf> (date of access: 22.04.2010).

⁸²⁷ IDA16 Replenishment. International Development Assistance // the official web site of the World Bank. URL: <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:22495227~menuPK:6827445~pagePK:51236175~piPK:437394~theSitePK:73154,00.html> (date of access: 22.04.2010).

⁸²⁸ A Review of IDA's Long Term Financial Capaciti and Financial Instruments // International Development Association. URL: http://siteresources.worldbank.org/IDA/Resources/IDA16-Long_Term_Financing.pdf (date of access: 22.04.2010).

⁸²⁹ Turkey's quota in IMF to be increased // The Anatolia news agency. URL: <http://www.todayszaman.com/tz-web/news-188590-turkeys-quota-in-img-to-be-increased.html> (date of access 01.10.2009)

In October 2009, the Hon. Alistair Darling, Chancellor of the Exchequer made a statement from which follows, that the UK Government supports the quota reform in IMF and calls on other countries to ratify the April 2008 agreement about the reform as soon as possible.⁸³⁰

The UK is also the leading sponsor of the International Development Agency (IDA) and the African Development Fund (ADF). The share of the UK in the pledges to the IDA15 is the largest (14,05 per cent) among all donors.⁸³¹ As of January 31, 2010, the UK paid all its contributions to the IDA15 in amount of USD2.134 million.⁸³² The share of the UK in the pledges to the ADF-11 is the largest (14,8 per cent) among all donors.⁸³³

The UK also supports other multilateral development banks. In February 2010, the UK Government increased its funding for the Asian Development Bank to support the poorest people in Asia and the Pacific.⁸³⁴ In March 2010, the contribution of GBP36 million (USD43.6 million) to the EU-Africa Infrastructure Trust Fund by the UK was announced to invest in new regional power systems to tackle the crisis in African electricity.⁸³⁵

Thus, the UK supports a shift in IMF quota share to dynamic emerging markets and developing countries of at least 5 per cent from over-represented countries to under-represented countries and provides funds for Multilateral Development Funds, including to the IDA and the ADF. Therefore, it receives a score +1 for full compliance with a commitment.

Analyst: Natalya Churkina

USA: +1

The USA has fully complied with its G20 IFIs reform commitment.

For a long time the UDA showed no intention to give up its effective veto over IMF decision-making, and consequently over the making the IMF representative. But on 24 April 2010, in a speech at the International Monetary and Financial Committee (IMFC) meeting, USA Treasury Secretary Timothy Geithner called for reforms of the International Monetary Fund (IMF) that would give more voice to emerging markets and developing countries. According to his words, “the goal is to achieve legitimate representation based on countries' economic weight in the world”.⁸³⁶ However, it is still unclear who among developed countries should give up their voting power in favor of emerging economies.

For 2009 the Administration requested USD1.28 million and Congress appropriated USD1.12 million in IDA contributions; for 2010 - USD1.32 and USD1.3 correspondingly. As to AFD, for 2009 the

⁸³⁰ Statement by the Hon. Alistair Darling, Chancellor of the Exchequer, Governor of the Fund for the United Kingdom, at the Joint Annual Discussion // The official website of International Monetary Fund. 07.10.2009. URL: <http://www.imf.org/external/am/2009/speeches/pr19e.pdf> (date of access: 23.03.2010).

⁸³¹ International Development Association: Donors and Partners // International Development Association. URL: <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21205385~pagePK:51236175~piPK:437394~theSitePK:73154,00.html> (date of access: 23.03.2010).

⁸³² A Review of IDA's Long Term Financial Capacity and Financial Instruments // International Development Association. 02.2010. URL: http://siteresources.worldbank.org/IDA/Resources/IDA16-Long_Term_Financing.pdf (date of access: 23.03.2010).

⁸³³ Total Resources Mobilized // African Development Bank Group. URL: <http://www.afdb.org/en/about-us/african-development-fund-adf/adf-11/total-resources-mobilized/> (date of access: 23.03.2010).

⁸³⁴ UK support to help Asia's poorest people // The official website of Department for International Development. 04.02.2010. URL: <http://www.dfid.gov.uk/Media-Room/Press-releases/2010/UK-support-to-help-Asias-poorest-people/> (date of access: 23.03.2010).

⁸³⁵ Minister highlights African power crisis // The official website of Department for International Development. 04.03.2010. URL: <http://www.dfid.gov.uk/Media-Room/Press-releases/2010/Minister-highlights-African-power-crisis/> (date of access: 23.03.2010).

⁸³⁶ U.S. Urges More Voice for Developing Countries in IMF, CCTV 25 April 2010. URL: <http://english.cctv.com/20100425/100993.shtml> (date of access: 23.03.2010).

Administration requested USD156.1 million and Congress appropriated USD150.0 million; for 2010 - USD159.9 million and USD155.0 million correspondingly.⁸³⁷

The USA has fully complied with the commitment and has been scored +1.

Analyst: Tatyana Lanshina

European Union: 0

The EU has partially complied with its G20 commitment on international financial institutions reform.

On 25 April, 2010 Andris Piebalgs, European Commission Commissioner for Development, highlighted in his statement on Development Committee Meeting, the support to call for additional resources for the MDBs and welcomed the capital increase of several MDBs. This will help to avoid constraints in lending capacity in the International Financial Institutions (IFIs) so that they have sufficient funds to support emerging economies and low income countries that were hard hit by the crisis. Therefore, the European Commission emphasizes that the decisions on the IBRD and IFC capital increases which are now to be concluded, should not be to the detriment of the ongoing IDA replenishment discussion. In view of this goal, it is also essential that the burden sharing among countries be widened.⁸³⁸

The European Commission remains committed to the goal of rebalancing voting power in the World Bank Group and in the International Monetary Fund and supports an increase of at least 3 per cent and 5 per cent of voting power for under-represented Developing and Transition Countries respectively. At the same time, the formula must ensure protection for the smallest poor countries, to avoid dilution of their voting power and include contributions to the International Development Association. This sets the right incentives for all shareholders to ensure the long term financial sustainability of IDA.⁸³⁹

The EU supports IMF/WBG voting power reform, but no actions on MDB support were registered. Thus, the EU is awarded a score of 0.

Analyst: Arina Shadrikova

⁸³⁷ Multilateral Development Banks: U.S. Contributions FY1998-FY2009 // Congressional Research Service. 03.02.2010. URL: <http://freegovreports.com/index.php/banking/190-funding-multilateral-development-banks-assistance-programs>. (date of Access: 05.05.2010).

⁸³⁸ Statement by Mr. Andris Piebalgs, Commissioner for Development // European Commission Development Committee Meeting. URL: <http://siteresources.worldbank.org/DEVCOMMIT/Documentation/22556242/DCS2010-0008-EC.pdf> (date of access: 25.04.2010).

⁸³⁹ Statement by Mr. Andris Piebalgs, Commissioner for Development // European Commission Development Committee Meeting. URL: <http://siteresources.worldbank.org/DEVCOMMIT/Documentation/22556242/DCS2010-0008-EC.pdf> (date of access: 25.04.2010).

7. International Development Assistance

91 - We reaffirm our historic commitment to meet the Millennium Development Goals and our respective Official Development Assistance (ODA) pledges, including commitments on Aid for Trade, debt relief, and those made at Gleneagles, especially to sub-Saharan Africa, to 2010 and beyond.

G20 Leaders' Statement: The Pittsburgh Summit

Background

The Millennium Development Goals. The United Nations Millennium Declaration was adopted by 189 nations and signed by 147 heads of state and governments during the **UN Millennium Summit** in September 2000. The UN Millennium Declaration commits the nations to a new global partnership to reduce extreme poverty and set out a series of time-bound targets - with a deadline of 2015 - that have become known as the Millennium Development Goals (MDG). The eight MDGs break down into 21 quantifiable targets that are measured by 60 indicators. These goals are: (1) Eradicate extreme poverty and hunger; (2) Achieve universal primary education; (3) Promote gender equality and empower women; (4) Reduce child mortality; (5) Improve maternal health; (6) Combat HIV/AIDS, malaria and other diseases; (7) Ensure environmental sustainability; (8) Develop a Global Partnership for Development.

The UN System is helping countries improve their capacity to achieve the MDGs. In 2001 the UN Secretary General presented the **Road Map Towards the Implementation of the United Nations Millennium Declaration**, an integrated and comprehensive overview of the situation, outlining potential strategies for action designed to meet the goals and commitments of the Millennium Declaration. To support this effort, the UNDP and the Millennium Project have designed a comprehensive set of services to support MDG-based national development strategies.

The road map has been followed up since then with annual reports. In 2002, the annual report focused on progress made in the prevention of armed conflict and the treatment and prevention of diseases, including HIV/AIDS and Malaria. In 2003, emphasis was placed on strategies for development and strategies for sustainable development. In 2004, it was on bridging the digital divide and curbing transnational crime.

In 2005, the Secretary-General prepared the first comprehensive five-yearly report on progress toward achieving the MDGs. The report reviews the implementation of decisions taken at the international conferences and special sessions on the least developed countries, progress on HIV/AIDS and financing for development and sustainable development.

Apart from the UN system the OECD as an intergovernmental agency makes a substantial contribution to international efforts to achieve the MDG. With contributing to global development partnership the OECD mainly focuses on helping countries to mobilize resources to achieve the MDGs, improving effective policy implementation and policy synergies in support of the MDG, ensuring the fundamental conditions for economic growth, strengthening capacity in partner countries to meet the MDG.

Developed countries also play a crucial role in developing a global economy that contributes to the advancement of trade and industry of developing countries, thus empowering them to help attain the MDGs. To help achieve these goals the UNDP works closely with such developed countries as Australia, Belgium, Denmark, European Community, Finland, France, Germany, Japan, Netherlands, Norway, Sweden, Switzerland, Thailand, United Kingdom.

ODA pledges. The ODA pledges comprise contributions of donor government agencies at all levels to developing countries from the OECD Development Co-operation Directorate (DAC) List of ODA Recipients ("bilateral ODA") and to multilateral institutions. According to the Monterrey Consensus that was the outcome of the UN International Conference on Financing for Development held on 22 March 2002 in Monterrey, countries have to achieve the target of 0.7 per cent of GNP for ODA to

developing countries by 2015 and to reach the level of at least 0.5 per cent of GNP for ODA by 2010, including the specific target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries.⁸⁴⁰

DAC List of ODA Recipients. Effective for reporting on 2009 and 2010 flows⁸⁴¹

Least Developed Countries	Other Low Income Countries (per capita GNI < USD935 in 2007)	Lower Middle Income Countries and Territories (per capita GNI USD936-USD3,705 in 2007)	Upper Middle Income Countries and Territories (per capita GNI USD3,706-USD11,455 in 2007)
Afghanistan	Côte d'Ivoire	Albania	*Anguilla
Angola	Ghana	Algeria	Antigua and Barbuda (1)
Bangladesh	Kenya	Armenia	Argentina
Benin	Korea, Dem. Rep.	Azerbaijan	Barbados (2)
Bhutan	Kyrgyz Rep.	Bolivia	Belarus
Burkina Faso	Nigeria	Bosnia and Herzegovina	Belize
Burundi	Pakistan	Cameroon	Botswana
Cambodia	Papua New Guinea	Cape Verde	Brazil
Central African Rep.	Tajikistan	China	Chile
Chad	Uzbekistan	Colombia	Cook Islands
Comoros	Viet Nam	Congo, Rep.	Costa Rica
Djibouti		Ecuador	Cuba
Equatorial Guinea		Egypt	Dominica
Eritrea		El Salvador	Fiji
Ethiopia		Former Yugoslav Republic of Macedonia	Gabon
Gambia		Georgia	Grenada
Guinea		Guatemala	Jamaica
Guinea-Bissau		Guyana	Kazakhstan
Haiti		Honduras	Haiti Honduras Lebanon
Kiribati		India	Libya
Laos		Indonesia	Malaysia
Lesotho		Iran	Mauritius
Liberia		Iraq	*Mayotte

⁸⁴⁰ Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus // The official website of the UN. URL: http://www.un.org/esa/ffd/doha/documents/Doha_Declaration_FFD.pdf, (date of access: 25.04.2010).

⁸⁴¹ DAC List of ODA Recipients. OECD. <http://www.oecd.org/dataoecd/32/40/43540882.pdf>

Madagascar		Jordan	Mexico
Malawi		Kosovo (3)	Montenegro
Maldives		Marshall Islands	*Montserrat
Mali		Micronesia, Federated States	Nauru
Mauritania		Moldova	Oman (1)
Mozambique		Mongolia	Palau
Myanmar		Morocco	Panama
Nepal		Namibia	Serbia
Niger		Nicaragua	Seychelles
Rwanda		Niue	South Africa
Samoa		Palestinian Administered Areas	*St. Helena
São Tomé and Príncipe		Paraguay	St. Kitts-Nevis
Senegal		Peru	St. Lucia
Sierra Leone		Philippines	St. Vincent and Grenadines
Solomon Islands		Sri Lanka	Suriname
Somalia		Swaziland	Trinidad and Tobago (2)
Sudan		Syria	Turkey
Tanzania		Thailand	Uruguay
Timor-Leste		*Tokelau	Venezuela
Togo		Tonga	
Tuvalu		Tunisia	
Uganda		Turkmenistan	
Vanuatu		Ukraine	
Yemen		*Wallis and Futuna	
Zambia			

*Territory.

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

(2) Barbados and Trinidad & Tobago exceeded the high income country threshold in 2006 and 2007. In accordance with the DAC rules for

revision of this List, both will graduate from the List in 2011 if they remain high income countries until 2010.

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

Aid for Trade. According to the recommendations of the WTO Task Force on Aid for Trade (AFT)⁸⁴², assistance and capacity-building on the following six categories qualify as AFT:

- (1) Trade Policy and Regulations, e.g. training and support for trade officials in implementing trade agreements and standards;
- (2) Trade Development, e.g. trade and investment promotion;
- (3) Trade-Related Infrastructure, including building physical infrastructure;
- (4) Building Productive capacity;
- (5) Trade-Related Adjustment, assistance to adopt measures to benefit from trade liberalisation;
- (6) Other trade-related needs.

The term Aid for Trade (AFT) is recent, but donors have been providing assistance to developing countries to build trade capacity and infrastructure for many years. The Task Force on Aid for Trade was created at the Sixth Hong Kong WTO Ministerial Conference in December, 2005 as a way to contribute to the development dimension of the Doha Development Agenda.

The United States and Japan are the largest single providers of bilateral Aid for Trade, with USD4.6 billion and USD4.4 billion in 2007 respectively. They, together with the EC, are well on their way to meet their 2005 aid for trade pledges. Other important bilateral donors include France, Germany, the Netherlands, Spain, and the United Kingdom. In 2007 total Aid for Trade constituted USD25.4 billion with USD4.4 billion increase in real terms, as measured against the 2002-2005 baseline.⁸⁴³ Bilateral donors accounted for 62 per cent of total Aid for Trade in 2007 - down 2.3 per cent on 2006.

India, Iraq, Vietnam, Afghanistan, and Indonesia were the top five recipients of Aid for Trade in 2007, accounting for almost 28 per cent of the total. Asian countries received approximately 38.5 per cent of all Aid for Trade (USD9.8 billion in 2007). Africa follows with 37.3 per cent (USD9.5 billion in 2007).

842 General Council supports suspension of trade talks; Task Force submits "Aid for Trade" recommendations
// The official website of the World Trade Organization. URL:

http://www.wto.org/english/news_e/news06_e/gc_27july06_e.htm. (date of access: 25.04.2010).

⁸⁴³ An essential element of monitoring the operationalization of Aid for Trade is tracking by OECD and WTO of global aid-for-trade flows reported to the OECD Creditor Reporting System (CRS). At the First Global Review of Aid for Trade, a baseline was established for the period 2002-2005 in CRS categories which most closely relate to aid for trade as defined by the WTO Task Force. The OECD and WTO will present an updated publication, Aid for Trade at a Glance 2009, at the Second Global Review of Aid for Trade to be held on 6-7 July 2009.

Aid for Trade by key Bilateral and Multilateral Donors and by Category – Commitments ⁸⁴⁴																	
US\$ million (2006 constant)																	
	Trade Policy & Regulations			Economic Infrastructure			Building Productive Capacity			Trade Related Adjustment	Total AFT						
	2002-05 ave.	2006	2007	2002-05 ave.	2006	2007	2002-05 ave.	2006	2007	2007	2002-05 ave.	2006	2007	per cent Change 2006-2007	Share in Total AFT 2007	Donor's Total Sector Allocable ODA 2007	Share in Donor's Total Sector Allocable ODA
Canada	17.8	17.2	18.8	41.8	47.1	53.4	254.7	184.1	247.3	0.3	314.3	248.4	319.7	28.7	1.3	1,938.7	16.5
France	4.0	0.5	4.0	341.1	517.4	506.8	335.1	416.4	737.9	0.0	680.2	828.2	1,248.7	50.8	4.9	4,603.9	27.1
Germany	13.5	18.0	37.9	529.1	796.7	501.5	616.9	1,062.3	956.5	0.0	1,159.5	1,877.0	1,495.9	-20.3	5.9	5,382.8	27.8
Japan	47.6	50.4	45.7	3,520.1	3,417.2	2,968.0	903.9	1,101.8	1,383.8	0.0	4,471.6	4,569.4	4,397.5	-3.8	17.3	8,975.6	49.0
Netherlands	17.0	63.0	44.3	134.5	134.4	86.0	377.1	663.6	508.2	0.0	528.7	861.0	638.4	-25.9	2.5	2,582.8	24.7
Norway	8.7	21.4	20.8	90.3	103.7	142.1	152.9	198.8	188.6	0.0	251.9	323.9	351.4	8.5	1.4	1,783.2	19.7
Spain	1.3	0.8	6.7	225.4	592.4	296.9	143.5	111.1	264.2	0.0	370.2	704.3	567.8	-19.4	2.2	2,425.1	23.4
Sweden	15.4	25.7	33.6	97.1	87.5	70.1	101.1	212.1	236.4	0.0	213.6	325.2	340.2	4.6	1.3	1,161.7	29.3
United Kingdom	27.9	80.7	26.2	309.5	107.9	110.1	417.1	442.3	337.1	0.0	754.5	630.9	473.3	-25.0	1.9	4,090.1	11.6
United States	227.3	316.4	182.7	1,660.0	2,307.0	2,481.9	1,706.5	1,896.6	1,967.5	0.0	3,593.9	4,520.0	4,632.1	2.5	18.2	18,145.1	25.5
Total Bilateral	426.1	632.2	434.2	7,511.9	8,648.5	7,748.7	5,855.0	7,026.9	7,638.8	0.3	13,793.0	16,201.5	15,821.7	-2.3	62.2		
AfDB	22.1	0.0	0.0	245.8	282.1	830.7	297.4	243.5	231.4	0.0	565.2	525.6	1,062.1	102.1	4.2	1,681.7	63.2
AsDF	7.9	0.0	4.9	337.7	165.9	340.5	358.7	216.3	257.2	0.0	704.3	382.2	602.6	57.7	2.4	1,713.0	35.2
EC	176.4	411.3	243.4	1,300.3	1,647.2	1,352.2	1,002.1	1,161.2	1,133.1	17.4	2,478.8	3,219.7	2,728.7	-15.2	10.7	8,690.1	31.4
World Bank	24.9	0.0	0.0	1,789.6	1,724.2	3,232.7	1,351.9	1,117.6	1,430.6	0.0	3,166.4	2,841.8	4,663.4	64.1	18.3	9,124.8	51.1
IADB	0.0	0.0	0.0	115.1	49.5	155.5	113.1	10.0	24.6	0.0	228.2	59.5	180.1	202.7	0.7	381.0	47.3
IFAD	0.0	0.0	0.0	3.9	0.0	0.0	149.5	167.5	325.3	0.0	153.4	167.5	325.3	94.2	1.3	490.8	66.3
Total Multilateral	232.7	413.7	251.1	3,794.3	3,874.5	5,917.5	3,280.4	2,930.6	3,414.3	17.4	7,307.5	7,218.9	9,600.3	33.0	37.8		
Overall Total	658.9	1,046.0	685.3	11,306.2	12,523.0	13,666.2	9,135.4	9,957.5	11,053.1	17.7	21,100.5	23,526.5	25,422.3	8.1	100.0		

⁸⁴⁴ Report to the TPRB from the Director-General on the financial and economic crisis and trade-related developments. // The official website of the WTO. 26.02.2009. URL: http://www.wto.org/english/news_e/news09_e/trdev_dg_report_14apr09_e.doc. (date of access: 25.04.2010).

Debt relief. The Debt relief for heavily indebted and underdeveloped developing countries was the subject in the 1990s of a campaign by a broad coalition of development NGOs. This campaign was successful in pushing debt relief onto the agenda of Western governments and international organizations such as the International Monetary Fund and World Bank. Heavily Indebted Poor Countries (HIPC) initiative is an institutional form of systematic debt relief for the poorest countries. The initiative was launched and strengthened in 1999 following the G8 summit in Cologne, Germany and has become known as the “Enhanced HIPC Initiative”. At the G8 Kananaskis Summit in 2002 the G8 leaders checked on the progress on implementation of the Cologne Enhanced HIPC Initiative, reaffirmed their commitment to this initiative once again and established new tasks within it. The list of Heavily Indebted Poor Countries can be found on the World Bank web site.⁸⁴⁵

Gleneagles commitments. At the Gleneagles Summit the G8 leaders made a broad range of joint and commitments on development mainly in Africa.⁸⁴⁶ To make monitoring more manageable specific list of joint commitments was derived from the Chair's Summary.⁸⁴⁷ **Joint G8 commitments are:**

- to double aid for Africa by 2010. Aid for all developing countries will increase, according to the OECD, by around USD50 billion per year by 2010, of which at least USD25bn extra per year for Africa.
- to provide extra resources for Africa's peacekeeping forces so that they can better deter, prevent and resolve conflicts in Africa;
- to give enhanced support for greater democracy, effective governance and transparency, and to help fight corruption and return stolen assets;
- to boost investment in health and education, and to take action to combat HIV/AIDS, malaria, TB and other killer diseases;
- to stimulate growth, to improve the investment climate and to make trade work for Africa, including by helping to build Africa's capacity to trade and working to mobilize the extra investment in infrastructure which is needed for business.

Individual G8 members' commitments were formulated in the Statement on Africa⁸⁴⁸:

- The EU has pledged to reach 0.7 per cent ODA/GNI by 2015 with a new interim collective target of 0.56 per cent ODA/GNI by 2010. The EU will nearly double its ODA between 2004 and 2010 from EUR34.5 billion to EUR67 billion. At least 50% of this increase should go to sub-Saharan Africa.
- Germany (supported by innovative instruments) has undertaken to reach 0.51 per cent ODA/GNI in 2010 and 0.7 per cent ODA/GNI in 2015.
- Italy has undertaken to reach 0.51 per cent ODA/GNI in 2010 and 0.7% ODA/GNI in 2015
- France has announced a timetable to reach 0.5 per cent ODA/GNI in 2007, of which 2/3 for Africa, – representing at least a doubling of ODA since 2000 - and 0.7 per cent ODA/GNI in 2012.
- The UK has announced a timetable to reach 0.7 per cent ODA/GNI by 2013 and will double its bilateral spending in Africa between 2003/04 and 2007/08.
- A group of the countries above firmly believe that innovative financing mechanisms can help deliver and bring forward the financing needed to achieve the Millennium Development Goals. They

⁸⁴⁵ Heavily Indebted Poor Countries (40 countries). // The official website of the WB. 28.01. 2010.
<http://go.worldbank.org/4IMVXTQ090> (date of access: 25.04.2010).

⁸⁴⁶ Statement on Africa. G8 Summit Meetings// Gleneagles Official Documents. 8.07. 2005.
<http://www.g8.utoronto.ca/summit/2005gleneagles/africa.html> (date of access: 25.04.2010).

⁸⁴⁷ Chair's Summary. Gleneagles// Gleneagles Official Documents. 8.07.2005.
<http://www.g8.utoronto.ca/summit/2005gleneagles/summary.html> (date of access: 25.04.2010).

⁸⁴⁸ Statement on Africa. G8 Summit Meetings// Gleneagles Official Documents. 8.07.2005.
<http://www.g8.utoronto.ca/summit/2005gleneagles/africa.html> (date of access: 25.04.2010).

will continue to consider the International Financing Facility (IFF), a pilot IFF for Immunization and a solidarity contribution on plane tickets to finance development projects, in particular in the health sector, and to finance the IFF. A working group will consider the implementation of these mechanisms.

- The US proposes to double aid to Sub-Saharan Africa between 2004 and 2010. It has launched the Millennium Challenge Account, with the aim of providing up to USD5 billion a year, the USD15 billion Emergency Plan for AIDS Relief, an initiative to address Humanitarian Emergencies in Africa of more than USD2 billion in 2005, and a new USD1.2 billion malaria initiative. The US will continue to work to prevent and mitigate conflict, including through the 5-year, USD660 million Global Peace Operations Initiative.
- Japan intends to increase its ODA volume by USD10 billion in aggregate over the next five years. Japan has committed to double its ODA to Africa over the next three years and launched the USD5 billion 'Health and Development Initiative' over the next five years. For the "Enhanced Private Sector Assistance (EPSA) for Africa" facility, Japan will provide more than USD1 billion over 5 years in partnership with the African Development Bank (AfDB).
- Canada will double its international assistance from 2001 to 2010, with assistance to Africa doubling from 2003/4 to 2008/9. As well, the 2005 Budget provided an additional CAD342 million to fight diseases that mainly afflict Africa. The CAD200 million Canada Investment Fund for Africa, will provide public-private risk capital for private investments and Canada will provide CAD190 million to support the AU's efforts in Darfur, as well as CAD90 million for humanitarian needs.
- Russia has cancelled and committed to cancel USD11.3 billion worth of debts owed by African countries, including USD2.2 billion of debt relief to the HIPC Initiative. On top of this, Russia is considering writing off the entire stock of HIPC countries' debts on non-ODA loans. This will add USD750million to those countries debt relief.

Commitment Features

There are five components of this commitment:

meeting the MDG,

achieving respective ODA pledges,

Aid for Trade,

debt relief,

Gleneagles commitments.

Gleneagles commitments were made by G8 members at their Gleneagles summit in 2005. They are divided into joint and individual commitments made by each G8 member. Compliance of non-G8 members of G20 with only joint Gleneagles commitments should be registered and assessed. G8 members should comply with both joint and individual Gleneagles commitments in order to fully comply with this part of the commitment.

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

Scoring

-1	Member implements none or less than two components of the commitment
0	Member implements two or three components of the commitment
+1	Member implements four or more components of the commitment

Assessment:

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada		0	
China		0	
France		0	
Germany			+1
India	-1		
Indonesia	-1		
Italy	-1		
Japan		0	
Republic of Korea		0	
Mexico		0	
Russian Federation		0	
Saudi Arabia		0	
South Africa			+1
Turkey	-1		
UK			+1
USA			+1
EU		0	
Compliance Average	-0.05		

Compliance by country**Argentina: -1**

Argentina has failed to comply with the commitment to address international development assistance.

Following the devastating earthquake in Haiti, Argentina allocated aid and support to this country. The Government of Argentina has pledged USD1 million in a bilateral financial contribution and USD16.782 million in a contribution via the Andean Community (UNASUR) to Haiti Reconstruction Plan.⁸⁴⁹

Given that Argentina has not contributed to the pledges of Gleneagles commitment, has not complied with aid for trade, debt relief commitments it is awarded a score of -1.

Analyst: Polina Arkhipova

Australia: +1

⁸⁴⁹ Pledge List, Haiti Reconstruction Platform // The official website of the Government of the Republic of Haiti. 25.04.2010. URL: <http://www.refondation.ht/index.jsp?sid=1&id=191&pid=126> (date of access: 31.05.2010).

Australia has partially complied with the commitment, having implemented three parts concerning the Millennium Development Goals and ODA pledges, including aid for trade.

During the current monitoring period Australia has provided help to Haiti to combat the earthquake negative consequences. Australian government also has developed civilian troops for support of the UN peacekeepers and civilian experts, which are mostly oriented for work in neighboring countries like Indonesia and Samoa. As for ODA Australia has provided technical and financial assistance to Zimbabwe. The Asian Development Bank, the World Food Programme, the United Nations High Commission for Refugees were the main institutions Australia has been using to provide its assistance

On 12 November 2009 to comply with a commitment on aid for trade, Australian Minister for Foreign Affairs, Hon Stephen Smith MP, announced, that Australia would provide AUD4 million (USD3.45 million) for aid-for-trade initiatives to assist developing economies (APEC) boost their participation in international trade.⁸⁵⁰

On 10 February 2010 Parliamentary Secretary for International Development Assistance, Bob McMullan announced that Australia would provide AUD10 million (USD8.2 million) over four years to improve marketing opportunities and boost agribusiness in the Pacific through the Pacific Agribusiness Research for Development Initiative in order to decrease the level of poverty and fight hunger.⁸⁵¹

On 12 February 2010, Australian Prime Minister, Kevin Rudd committed AUD4.5 million (USD3.7 million) to the United Nations Development Programme (UNDP) to help Haiti recover from the devastating earthquake.⁸⁵²

On 16 March 2010, Minister for Foreign Affairs, Stephen Smith announced an AUD11 million (USD8.9 million) package of humanitarian assistance to Somalia, the Democratic Republic of the Congo (DRC) and Kenya.⁸⁵³

On 19 March 2010, Minister for Foreign Affairs, Stephen Smith announced, that Australia would provide a further assistance package of AUD13 million (USD10.6 million) to improve access to clean water, sanitation services and food security in Zimbabwe.⁸⁵⁴

To achieve respective ODA pledges the Government of Australia in cooperation with the Asian Development Bank (ADB) will provide Technical assistance grants totaling AUD1.3 million (USD1.1 million) to carry out a full assessment of the climate change threats posed to the Mekong Delta region (Viet Nam), and the actions needed for its adaptation to an expected sea-level increase and more frequent and severe floods.⁸⁵⁵

⁸⁵⁰ Australia supports trade and development in APEC // The Hon Stephen Smith MP, Minister for trade. 12.11.2009. URL: http://www.trademinister.gov.au/releases/2009/sc_091112.html (date of access: 31.05.2010).

⁸⁵¹ USD10 million to boost agribusiness in the Pacific, Bob McMullan MP, Parliamentary Secretary for International Development Assistance// Pacific Conference on the Human Face of the Global Economic Crisis in Vanuatu. 10.02.2010 URL: http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=9478_5503_9333_4260_6210 (date of access: 31.05.2010).

⁸⁵² Statement of Australian Prime Ministry Kevin Rudd during the meeting with UNDP Administrator Helen Clark // The official web site of the Australian Government. 13.02.2009. URL: http://www.ausaid.gov.au/hottopics/topic.cfm?ID=5095_3321_7421_6330_5053 (date of access: 31.05.2010).

⁸⁵³ Engagement with Africa // The official web site of the Australian Government. 16.03.2010. URL: http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=4424_4710_9378_6154_6350 (date of access: 31.05.2010).

⁸⁵⁴ Further assistance to Zimbabwe // The official web site of the Australian Government. 19.03.2010. URL: http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=4254_4194_5520_2083_6604 (date of access: 31.05.2010).

⁸⁵⁵ Australia, ADB Help Protect Viet Nam's Mekong Delta from Climate Change // The official website of Asian Development Bank. 13.01.2010. URL: <http://www.adb.org/Media/Articles/2010/13136-vietnamese-climate-change-adaptations/> (date of access: 31.05.2010).

The Australian Government announced that it would provide up to AUD50,000 (USD40,800) in immediate emergency relief assistance in response to the earthquakes that have recently affected the Solomon Islands.⁸⁵⁶

Australian Government has complied with four parts of the commitment having failed to implement commitment on debt relief. Thus, Australia is awarded a score of +1.

Analyst: Dina Padalkina

Brazil: -1

Brazil has not complied with its commitment to meet the Millennium Development Goals and its respective ODA pledges, including commitments on Aid for Trade, debt relief, and those made at Gleneagles, especially to sub-Saharan Africa, to 2010 and beyond.

On 16 April 2010 L da Silva, President of Brazil participated in the summit of BRIC countries (Brazil, Russia, India, and China) held in Brazil. Brazil supported the joint statement issued during the summit by BRIC leaders and reiterated the importance of the UN Millennium Declaration and the need to achieve the Millennium Development Goals (MDGs) by 2015, including through technical cooperation and financial support to poor countries in implementation of development policies and social protection for their populations.⁸⁵⁷ Brazil joined leaders in their call to the international community to make all necessary efforts to fight poverty, social exclusion and inequality bearing in mind the special needs of developing countries, especially LDCs, small islands and African Countries.⁸⁵⁸ However, participation in the discussions does not imply compliance with a commitment on the MDGs.

Thus, during the compliance cycle no measures on meeting the MDGs, achieving respective ODA pledges, compliance with aid for trade, debt relief and Gleneagles commitments have been registered. Thus, Brazil has failed to implement any component of the commitment and is awarded a score of -1.

Analyst: Polina Cherepova

Canada: 0

Canada has partially complied with its G20 international development assistance commitment.

Canada has failed to comply with Gleneagles Summit's commitment to increase ODA/GNI ratio to at least 0.5 per cent⁸⁵⁹ and announced a freeze in Canadian ODA for 2011 at 2010 levels.

Canada successfully continues to concentrate its efforts on achieving the MDG's. The Government of Canada has stated its intention to focus aid on food security and development. On 3 December 2009, the Ministry of International Cooperation announced its plans to contribute CAD30 million (USD29.3 million) to the World Food Programme in addition to the CAD185 million (USD175.05 million) that has contributed in 2009.⁸⁶⁰

Moreover, on 22 April 2010, Canada announced a USD230 million contribution to the Global Agriculture and Food Security Program.⁸⁶¹ On 28 January 2010, the Government of Canada

⁸⁵⁶ Australian Assistance to Solomon Islands // The official website of The Hon Simon Crean, Minister for Trade. 06.01.2010. URL:

http://www.trademinister.gov.au/releases/2010/sc_100106.html (date of access: 31.05.2010).

⁸⁵⁷ BRIC Summit Joint Statement, 04.2010 // The official website of Council on Foreign Relations. 15.04.2010. URL: http://www.cfr.org/publication/21927/bric_summit_joint_statement_april_2010.html (date of access: 27.04.2010).

⁸⁵⁸ BRIC Summit Joint Statement, 04.2010 // The official website of Council on Foreign Relations. 15.04.2010. URL: http://www.cfr.org/publication/21927/bric_summit_joint_statement_april_2010.html (date of access: 27.04.2010).

⁸⁵⁹ Development Co-operation Report 2010 OECD // The official web site of the Organization for Economic Cooperation and Development. URL: <http://www.SourceOECD.org/developmentreport> (date of access: 31.05.2010).

⁸⁶⁰ Canada Announces Additional Support to the World Food Programme // The official web site of the Canadian International Development Agency (Ottawa). 3.12.2009. URL: <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAD-12214434-R5G> (date of access: 31.05.2010).

⁸⁶¹ Canada helps launch Global Agriculture and Food Security // The official web site of the Department of Finance. Canada. 22.04.2010. URL: <http://www.fin.gc.ca/n10/10-030-eng.asp> (date of access: 31.05.2010).

announced that it would make a CAD6 million (USD5.7 million) contribution “to support the World Health Organization’s (WHO) global pandemic relief efforts.”⁸⁶²

Between 26 and 29 April 2010, Canada hosted the G8 development ministers. The ministers, under the leadership of Canadian Development Minister Beverly Oda, agreed to make maternal and child health care a priority in the upcoming summit, along with food security and the achievement of the Millennium Development Goals.⁸⁶³

According to the 2010 Report of the non-governmental organization One International, Canada has cancelled 100% of bilateral debt owed by completion point HIPC. This includes 100% of its post cut-off date commercial debt.⁸⁶⁴

According to the 2010 Report of the non-governmental organization One International, Canada protects agriculture but does not show up as budget expenditure. Canada still has not meaningfully reformed its farm support programmes.⁸⁶⁵

Thus, Canada is awarded a score of 0 for compliance with two out of five components of the G20 international development assistance commitment, such as meeting the MDGs and debt relief.

Analyst: Vitaliy Nagornov and Samir Siddiqui

China: 0

China as a new donor has partially complied with its commitment on international development assistance. The Chinese Government has implemented three out of five components of the commitment, such as meeting the MDGs, achieving respective ODA pledges, provision of the aid for trade.

In order to achieve the MDGs the Chinese Government has undertaken a number of measures. On 8 November 2009, Chinese Premier Wen Jiabao announced that China would boost food security and training of African professionals, new schools in Africa.⁸⁶⁶ Wen also said that China will send 50 agriculture technology teams to Africa and train 2,000 agricultural technology experts. China will train 3,000 doctors and nurses as well as 1,500 teachers, and build 50 schools. By 2012, China plans to increase the number of scholarships available to African students to 5,500 while it offers 100 post-doctoral fellowships for scientific research in China.⁸⁶⁷ These measures help to achieve universal primary education, reduce child mortality, combat HIV/AIDS, malaria and other diseases, improve maternal health⁸⁶⁸ and they meet the MDG 2,3,4,5.

On 12 March 2010, official representatives of the Chinese Government announced that China supports the Afghan Government in its efforts to promote peace, security and stability in Afghanistan. They also said “Within our capabilities, we have provided condition-free assistance of various types to

⁸⁶² Government of Canada Announces Significant Contribution to WHO Global Pandemic Relief Efforts // Public Health Agency of Canada (Ottawa) 28.01.2010. URL: http://www.phac-aspc.gc.ca/media/nr-rp/2010/2010_0128-eng.php (date of access: 31.05.2010).

⁸⁶³ G8 development ministers’ meeting chair’s summary // Government of Canada (Ottawa). 28.04.2010. URL: <http://g8.gc.ca/6599/g8-development-ministers-meeting-chairs-summary/> (date of access: 31.05.2010).

⁸⁶⁴ Canada - Meeting the commitments? // The official website of ONE Organisation. 05.03.2010. URL: <http://one.org/report/2010/en/country/canada/progress.html> (date of access: 31.05.2010).

⁸⁶⁵ Canada - Meeting the commitments? // The official website of ONE Organisation. URL: <http://one.org/report/2010/en/country/canada/progress.html> 05.03.2010.

⁸⁶⁶ China Promises \$10b in Loans, Debt Relief to Africa // Associated Press. 08.11.2009. URL: <http://www.thejakartaglobe.com/business/china-promises-10b-in-loans-debt-relief-to-africa/340401> (date of access: 08.11.2009).

⁸⁶⁷ China doubles aid to Africa // The official website of the New Vision News Agency. 08.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 08.11.2009).

⁸⁶⁸ China doubles aid to Africa // The official website of the New Vision News Agency. 08.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 08.11.2009).

Afghanistan. For example, we have trained professionals in various fields for Afghanistan.”⁸⁶⁹ These measures help to develop a Global Partnership for Development and achieve the MDG8.

With respect to achieving respective ODA pledges China has undertaken the following measures.

On 8 November 2009, at a China-Africa summit in Egypt, Chinese premier Wen Jiabao offered Africa USD10billion in concessional loans over the next three years along with a range of other measures aimed at strengthening African-Chinese ties.⁸⁷⁰

On 11 January 2010, at the start of the Chinese Foreign Minister Yang Jiechi's latest Africa tour, Yang Jiechi announced that China would provide a USD7million grant to help fund infrastructure development projects in Kenya.⁸⁷¹

On 13 January 2010, the Chinese Government gave the financially crippled Tanzania-Zambia Railways Authority USD39 million interest-free loan to revive its operations, Communication and Transport.⁸⁷²

On 6 January 2010, during his visit to the Kenyan capital Nairobi Chinese Foreign Minister Yang Jiechi stated that China would give Kenya USD7.16 million grant to support development projects in east Africa's biggest economy. He also said “The assistance has been substantial in financial terms and has a considerable impact on Kenya's socio-economic development.”⁸⁷³

On 10 March 2010, Chinese Foreign Minister Yang Jiechi announced that China and Pakistan would continue to expand practical cooperation in various fields on the basis of equality and mutual benefit.⁸⁷⁴

On 10 November 2009, at the 4th Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC), Chinese Premier Wen Jiabao said that “The USD5 billion of concessional loans will be fully in place soon. The China-Africa Development Fund, whose first tranche reached USD1 billion, has become operational as scheduled. These measures have not only added to Africa's capacity for self-development but also helped African countries in their effort to counter the financial crisis.”⁸⁷⁵

In order to implement commitment on aid for trade China has undertaken the following measure.

On 8 November 2009, at a China-Africa summit in Egypt, Chinese Premier Wen Jiabao said that in terms of market access, he promised zero-tariffs for 95% of the products from the least developed African countries that have diplomatic relations with China, starting with 60% of the products next year. He also vowed to expand market access for African products, boost food security and cancel more African debts.⁸⁷⁶

On 7 March 2010, Chinese Foreign Minister Yang Jiechi said at the meeting of the Forum on China-Africa Cooperation in Egypt that China proposed the measures, which include intensification of

⁸⁶⁹ Diplomatic Priorities // The official website of Beijing review News Agency. 12.03.2010. URL: http://www.bjreview.com/quotes/txt/2010-03/12/content_254210_2.htm (date of access: 12.03.2010).

⁸⁷⁰ China doubles aid to Africa // The official website of the New Vision News Agency. 08.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 08.11.2009).

⁸⁷¹ China Pledges Funds for Kenya Infrastructure // The official website of the China International Poverty Reduction Center. 11.01.2010. URL: <http://www.iprcc.org/front/article/article.action?id=629> (date of access: 11.01.2010).

⁸⁷² Zambia: China Injects USD39 Million Into TAZARA Operations // The official website of the China International Poverty Reduction Center. 13.01.2010. URL: <http://www.iprcc.org/front/article/article.action?id=663> (date of access: 13.01.2010).

⁸⁷³ China gives Kenya USD7 million development grant // International multimedia news agency Reuters. 06.01.2010. URL: <http://af.reuters.com/article/sierraLeoneNews/idAFLDE6051E520100106> (date of access: 06.01.2010).

⁸⁷⁴ China will continue to support Pakistan for prosperity // Nawaiwaqt Group of News Papers. 10.03.2010. URL: <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Regional/Lahore/10-Mar-2010/China-will-continue-to-support-Pakistan-for-prosperity> (date of access: 10.03.2010).

⁸⁷⁵ Building the New Type of China-Africa Strategic Partnership // The official website of the Embassy of the People's Republic of China In The Federal Democratic Republic of Ethiopia. 10.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 10.11.2009).

⁸⁷⁶ China doubles aid to Africa // The official website of the New Vision News Agency. 08.11.2009. URL: <http://www.newvision.co.ug/D/8/12/700531> (date of access: 08.11.2009).

technical-scientific cooperation, reinforcement of Africa's financial capacities and increased accessibility of African products to the Chinese market.⁸⁷⁷

On 24 March 2010, China and Afghanistan signed a number of pacts to boost cooperation between the two countries. Chinese President Hu Jintao and visiting Afghan President Hamid Karzai witnessed the signing of the documents on favorable tariffs for Afghan exports, economic and technological cooperation, among others.⁸⁷⁸

As an attempt to implement debt relief commitment China has also a number of measures.

On 8 November 2009, at a China-Africa summit in Egypt, Chinese premier Wen Jiabao said Beijing would cancel the government debts of the poorest countries, including African countries.⁸⁷⁹

On 10 November 2009, at the 4-th Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC), Chinese premier Wen Jiabao said that “the plan of China to cancel 168 debts owed by 33 African countries is near completion.”⁸⁸⁰

Thus, China has implemented three out of five components of the G20 commitment on international development assistance and thus is awarded a score of 0.

Analyst: Svetlana Nikitina

France: 0

France has partially complied with its international development assistance commitment, having met two commitment features.

France has failed to comply with Gleneagles Summit's commitment to increase ODA/GNI ratio to at least 0.5 per cent.⁸⁸¹ On 25 May 2010, French Review le Matin announced that France had not implemented all measures for Africa⁸⁸².

France successfully continues to concentrate its efforts on achieving the MDGs related to such issues as health, education and vocational training, agriculture and food security, sustainable development and support for growth.⁸⁸³ On 23 November 2009, the French Ministry of Foreign and European Affairs announced the decision to contribute EUR2 million (USD2.39 million) of food aid to Kenya, Somalia and Ethiopia, in response to the food security crisis in the Horn of Africa.⁸⁸⁴

⁸⁷⁷ Measures on China-Africa cooperation well implemented // The official website of the China International Publishing Group. 07.03.2010. URL: http://www.china.org.cn/china/NPC_CPPCC_2010/2010-03/07/content_19549253.htm (date of access: 07.03.2010).

⁸⁷⁸ China, Afghanistan sign pacts to boost cooperation // The official website of Thaindian. 24.03.2010. URL: http://www.thaindian.com/newsportal/business/china-afghanistan-sign-pacts-to-boost-cooperation_100339010.html (date of access: 07.03.2010).

⁸⁷⁹ China Promises \$10b in Loans, Debt Relief to Africa // Associated Press. 08.11.2009. URL: <http://www.thejakartaglobe.com/business/china-promises-10b-in-loans-debt-relief-to-africa/340401> (date of access: 08.11.2009).

⁸⁸⁰ Building the New Type of China-Africa Strategic Partnership // The official website of the Embassy of the People's Republic of China In The Federal Democratic Republic of Ethiopia. 10.11.2009. URL: <http://www.thejakartaglobe.com/business/china-promises-10b-in-loans-debt-relief-to-africa/340401> (date of access: 10.11.2009).

⁸⁸¹ Official Development Assistance: France's effort in 2009 // The official website of Ministry of Foreign and European Affairs. 14.04.2010. URL: http://www.diplomatie.gouv.fr/en/france-priorities_1/development-and-humanitarian-action_2108/french-development-policy_2589/oda-budget_7134/official-development-assistance-france-effort-in-2009-14.04.10_13911.html (date of access: 1.06.2010).

⁸⁸² Aide du G8 à l'Afrique: progrès significatifs mais encore insuffisants // The official website of Le Matin. 25.05.2010. URL: <http://www.lematin.ch/flash-info/monde/aide-g8-afrique-progres-significatifs-insuffisants> (date of access: 1.06.2010).

⁸⁸³ Millennium Development Goals (MDG) // The official website of Ministry of Foreign and European Affairs. URL: http://www.diplomatie.gouv.fr/en/france-priorities_1/development-and-humanitarian-action_2108/international-stakes_2706/millennium-development-goals-mdg_5741/index.html (date of access: 1.06.2010).

⁸⁸⁴ ODA Budget: EUR2 million in food aid for the Horn of Africa // The official website of Ministry of Foreign and European Affairs (Paris) 23.11.2009. URL: http://www.diplomatie.gouv.fr/en/france-priorities_1/development-and-

On 17 December 2009, the French Agency for Development (AFD) announced France would grant EUR9 million (USD10.75 million) to support Benin's education sector, EUR7 million (USD8.36 million) to Burkina Faso for water sanitation, EUR6 million (USD7.17 million) and EUR8 million (USD9.56 million) to the Republic of Congo and Togo respectively, for improvements in the health sector.⁸⁸⁵

On 21 January 2010, the AFD pledged EUR260 million (USD310.56 million) for sustainable development in Nigeria, Mozambique, Vietnam, Gabon, Yemen and Lebanon.⁸⁸⁶ In addition, in April 2010 France sanctioned EUR40.5 million (USD48.4 million) of financing for urban development in Ghana, and a EUR1 million (USD1.19 million) grant for the development of Morocco's fishing sector.⁸⁸⁷

France has failed in achieving respective ODA pledges to increase ODA/GNI ratio to at least 0.5 per cent by 2010 but reached 0.20 per cent of GNP for ODA to least developed countries. In November 2009, the French Ministry of Foreign Affairs announced an increase in the ODA budget from EUR8.46 billion in 2009 to at least EUR8.66 billion in 2010. This increase sees France committing an estimated 0.46 to 0.48 per cent of GNI to ODA in 2010, an increase from the previous year but falling short from the 0.5 per cent commitment.⁸⁸⁸

On 5 November 2009, the AFD pledged EUR500 million (USD597.2 million) for multiple development objectives in Morocco, Vietnam, Mozambique, South Africa and Mauritius.⁸⁸⁹

According to the 2010 One report of International NGO One, France has cancelled 100% of bilateral debt owed by completion point HIPCs, but it has not delivered as much as other G8 countries.⁸⁹⁰

On 30 May 2010, French President Nicolas Sarkozy opened the 25th Africa-France summit to discuss commerce and human rights.⁸⁹¹ However, this action is not sufficient to consider the commitment implemented.

Thus, France has been awarded a score of 0 for compliance with two out of five commitment features, such as meeting the MDGs and debt relief.

Analyst: Vitaliy Nagornov, Dylan Matheson and Hallah Akash

Germany: +1

Germany has fully complied with its commitment on international development assistance.

[humanitarian-action_2108/french-development-policy_2589/oda-budget_7134/euro2-million-in-food-aid-for-the-horn-of-africa-23.11.09_13406.html](http://www.afd.fr/jahia/Jahia/site/afd/lang/en/pid/50302) (date of access: 1.06.2010).

⁸⁸⁵ Board of Directors meeting the 17.12.2009 : AFD deploys nearly one billion euros for emerging and developing countries // The official website of, AFD (Paris) 17.12.2009. URL: <http://www.afd.fr/jahia/Jahia/site/afd/lang/en/pid/50302> (date of access: 3.05.2010).

⁸⁸⁶ 21.01. board of directors meeting // The official website of AFD (Paris).21.01.2010. URL: <http://www.afd.fr/jahia/Jahia/site/afd/lang/en/pid/53200> (date of access: 3.05.2010).

⁸⁸⁷ AFD pledges some 600 million euros to support sustainable development at its 1 and 8.04.2010 board meeting // The official website of AFD (Paris).8.04.2010. URL: <http://www.afd.fr/jahia/Jahia/site/afd/lang/en/pid/62600> (date of access: 3.05.2010).

⁸⁸⁸ Official Development Assistance: France's effort in 2009, 14.04.2010 // The official web site of the French Ministry of Foreign and European Affairs. URL: http://www.diplomatie.gouv.fr/en/france-priorities_1/development-and-humanitarian-action_2108/french-development-policy_2589/oda-budget_7134/official-development-assistance-france-effort-in-2009-14.04.10_13911.html (date of access: 1.06.2010).

⁸⁸⁹ AFD pledges some 500 million euros for development at its 5.11. 2009 Board Meeting // The official website of AFD (Paris), 5.11.2009. URL: <http://www.afd.fr/jahia/Jahia/site/afd/lang/en/pid/44105> (date of access: 3.05.2010).

⁸⁹⁰ France - Meeting the commitments? // The official website of One Organisation. URL: <http://one.org/report/2010/en/country/france/progress.html> (date of access: 1.06.2010).

⁸⁹¹ Sommet Afrique-France - Sarkozy veut "du commerce, pas de l'aide"//The official website of the Le Point. 30.05. 2010. URL: <http://www.lepoint.fr/actualites-monde/2010-05-30/nice-sarkozy-accueil-son-premier-sommet-afrique-france/924/0/460980> (date of access: 1.06.2010)

Germany is making a contribution to achieving MDG3 through many of its projects. The Federal Ministry of Economic Cooperation and Development is supporting measures to prevent domestic violence in Cambodia, encouraging women to participate in commercial and political life in North Africa, and promoting equal access to primary schooling for both girls and boys in Afghanistan. In post-conflict countries, it is helping women to become stronger players in the reconstruction of their countries, and providing support to women and girls who have been victims of sexual violence.⁸⁹²

On 2 March 2010 Gudrun Kopp, Parliamentary State Secretary in the Federal Ministry of Economic Cooperation and Development, received the United Nations Special Envoy in Pakistan, Ambassador Jean-Maurice Ripert. During the meeting it was announced, that Germany was supporting the development of government administration and services such as education, health care and energy supply in the North-West Frontier Province in particular. For this purpose, a pledge of EUR107 million (USD130.8 million) was made to the Pakistani Government for the period of 2009 - 2010.⁸⁹³ This measure contributes to the achievement of the MDG2 (achieving universal primary education) and MDG7 (ensuring environmental sustainability).

On 16-18 November 2009, at the World Food Summit in Rome, Parliamentary State Secretary Gudrun Kopp announced that the German Federal Ministry of Economic Cooperation and Development planned to commit “an annual [EUR700 million (USD836.1 million)] over the next three years for the improvement of food security in developing countries.” This marks a EUR200 million (USD238.9 million) annual increase from the commitments of previous years.⁸⁹⁴ This measure is to reach the MDG1: eradication of extreme poverty and hunger.

On 20 January 2010 the Federal Chancellor Angela Merkel announced that Germany would be increasing its emergency aid for Haiti to EUR10 million (USD11.94 million). In addition to EUR5 million (USD5.97 million) in humanitarian emergency aid provided by the Federal Foreign Office, the German Development Minister Dirk Niebel doubled the commitment made by the Federal Ministry of Economic Cooperation and Development for emergency and transitional aid, bringing it to a total of EUR5 million (USD5.97 million). This funding comprises EUR4 million (USD4.78 million) for the United Nations World Food Programme and EUR1 million (USD1.19 million) for the local food program of the German Community for Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit GmbH) and is intended to address immediate needs in the fields of food and drinking water. The German Government also accounts for a share of more than 20% of all European Union commitments.⁸⁹⁵

On 8 February 2010, Parliamentary State Secretary Gudrun Kopp announced that he would take on the position of patron for the “Water for Africa” initiative. This project aims to secure access to clean water to improve health standards and ensure that sufficient food is produced.⁸⁹⁶

On 18 December 2009 the Federal Ministry of Economic Cooperation and Development made a commitment to Ghana of EUR130 million (USD155.28 million) in total for the period of 2009-2011. This new pledge represents an increase of more than 60 per cent, raising Germany’s commitment from

⁸⁹² 100th International Women’s Day//The official website of the Ministry for Economic Cooperation and Development. 06.03.2010. URL: http://www.bmz.de/en/press/pm/2010/march/pm_20100306_35.html (date of access: 01.06.2010).

⁸⁹³ Pakistan: An important partner for regional stability //The official website of the Ministry for Economic Cooperation and Development. 02.03.2010. URL: http://www.bmz.de/en/press/pm/2010/march/pm_20100302_34.html (date of access: 01.06.2010).

⁸⁹⁴ This global challenge can only be met by a joint global effort: Germany at the World Food Summit // The website of the German Information Centre (New Delhi). 18.11.2009. URL: http://www.german-info.com/press_shownews.php?pid=1888. (date of access: 15.04.2010).

⁸⁹⁵ German government increases its aid for Haiti to 10 million euros // The official website of the Ministry for Economic Cooperation and Development. 20.01.2010. URL: http://www.bmz.de/en/press/pm/2010/january/pm_20100120_10.html (date of access: 01.06.2010).

⁸⁹⁶ Gudrun Kopp becomes patron of Water for Africa initiative // The website of the German Information Centre (Pretoria). 12.02.2010. URL: http://www.germanyandafrika.diplo.de/Vertretung/pretoria_dz/en/pr/2010_PR/02/02_Wasser_f_C3_BCr_Afrika.archiveCtx=2077674.html. (date of access: 16.04.2010).

a previous level of EUR26.5 million (USD32.37 million) a year to a new level of EUR43.33 million (USD51.76 million) a year. In making this increase, the German Government is realizing its aim of giving particular support to partner countries that succeed in practicing good governance.⁸⁹⁷

The German Government stands by the agreed goal of providing 0.7 per cent of the GNI for development by 2015. The German government is sending a clear signal of its support for development. On 16 December 2009 the German Cabinet voted on the Government's draft for the 2010 federal budget. The draft budget envisaged a total of EUR5.88 billion (USD7.02 billion) for the Federal Ministry of Economic Cooperation and Development in 2010. Thus, the German Government has increased the development budget by a further EUR44 million (USD52.56 million) compared with the draft put together by the previous government in June 2009. The additional funds are to be used to finance food security programmes in needy countries as pledged by the Federal Chancellor at the G8 summit in L'Aquila in July 2009.⁸⁹⁸

The Government of Germany has extended its aid to build development relationships with particular African countries. In October 2009, Germany committed nearly EUR22.5 million (USD26.88 million) towards policy reform and the development of water supply and sanitation systems in Burundi.⁸⁹⁹ In addition, Germany has doubled its funding of sustainable economic development in Namibia,⁹⁰⁰ allocated EUR39 million (USD46.58 million) to solve development issues in Rwanda,⁹⁰¹ and committed EUR57 million (USD68.08 million) over the next three years to development cooperation with Senegal.⁹⁰²

The German Government has doubled its aid to Malawi from EUR30 million (USD35.83 million) to over EUR60 million (USD71.67 million) over the next two years. This commitment reflects Germany's recognition of the progress made by Malawi in its economic and political development.⁹⁰³ Similarly, Germany has committed to increase its aid to Ghana by more than 60 per cent as a means of "giving particular support to partner countries that succeed in practicing good governance."⁹⁰⁴

On 4 February 2010 the German Development Minister Dirk Niebel gave a speech at the topping off ceremony, or "roof wetting", as it is called in Southern Africa, for the Namibian-German Ohorongo Cement factory in Otavi, Namibia. The project was supported by DEG (German Investment and Development Company), EIB (European Investment Bank) and by South African banks. According to Niebel, "...It will make Namibia an exporter of cement, thus opening up new economic opportunities."

⁸⁹⁷ Germany intensifies cooperation with Ghana // The official website of the Ministry for Economic Cooperation and Development. 18.12.2009. URL:

http://www.bmz.de/en/press/pm/2009/december/pm_20091218_120.html (date of access: 01.06.2010).

⁸⁹⁸ German Development Ministry's budget grows despite financial crisis // The official website of the Ministry for Economic Cooperation and Development. 16.12.2009. URL:

http://www.bmz.de/en/press/pm/2009/december/pm_20091216_116.html (date of access: 01.06.2010).

⁸⁹⁹ Germany gives 22.5 million euros to Burundi, Afrique en Ligne (Bujumbura) // The website of Afrique en ligne. 08.10.2009. URL: <http://www.afriquejet.com/news/africa-news/germany-gives-22.5-million-euros-to-burundi-2009100936136.html>. (date of access: 16.04.2010).

⁹⁰⁰ Germany commit to more development help // The website of the Namibia Economist (Windhoek) 12.02.2010. URL: http://www.economist.com.na/index.php?option=com_content&view=article&id=20948:germany-commit-to-more-development-help&catid=578:general-news&Itemid=60. (date of access: 14.04.2010).

⁹⁰¹ Archive for Office Rwanda's News and Events // The official website of the KfW Entwicklungsbank. 09.2009. URL: http://www.kfw-entwicklungsbank.de/EN_Home/LocalPresence/SubSahara62/Office_Rwanda/News_and_Events/Archive.jsp. (date of access: 14.04.2010).

⁹⁰² Senegal – Development Cooperation, Federal Foreign Office of Germany (Berlin) // The official website of the Federal Foreign Office of Germany. 02.2010. URL: <http://www.auswaertiges-amt.de/diplo/en/Laenderinformationen/01-Laender/Senegal.html>. (date of access: 15.04.2010).

⁹⁰³ Germany increases aid to Malawi, Africa News (Lilongwe) // the official portal of Africa News Agency. 09.12.2009. URL: http://www.africanews.com/site/list_message/23854 (date of access: 16.04.2010).

⁹⁰⁴ Germany Gives Support to Ghana, Ghana Government (Accra) // The official web site of Ghana Government. 13.01.2010. URL: http://www.ghana.gov.gh/index.php?option=com_content&view=article&id=1076:germany-gives-support-to-ghana&catid=28:general-news&Itemid=162 (date of access: 16.04.2010).

Ohorongo Cement (PTY) Ltd is Namibia's first cement factory; from 2011 onwards it plans to produce about 700,000 tonnes of cement a year, half of it for export; it will also create about 300 jobs directly and up to 2,000 indirectly.⁹⁰⁵ Thus, by this action Germany has supported export potential of Namibia.

On 17 March 2010 Germany with the other representatives of the Paris Club creditor countries and of the Islamic Republic of Afghanistan agreed on a debt cancellation following Afghanistan's having reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries (enhanced HIPC Initiative) on 27 January 2010. As a contribution to restoring the Islamic Republic of Afghanistan's debt sustainability, Paris Club creditors decided to cancel USD441 million, which represents the Paris Club's share of the effort in the framework of the enhanced HIPC Initiative.⁹⁰⁶

Thus, Germany receives a score of +1 for a full compliance with all components of the commitment.

Analyst: Irina Grechukhina and Samir Siddiqui

India: -1

India has not complied with its commitment on international development assistance, having failed to implement commitments on ODA pledges, including on Aid for Trade, debt relief, and those made at Gleneagles, especially to sub-Saharan Africa, to 2010 and beyond.

In 2010 India contributed USD3 million (USD2 million in 2009) to The Global Fund to Fight AIDS, Tuberculosis and Malaria.⁹⁰⁷ This corresponds with achievement of the MDG6.

India is a developing country and needs the assistance of other developed countries to improve its economy and social protection.

During the period of monitoring there were registered no measures to comply with the commitment besides contribution to the Global Fund. Thus, India is awarded a score of -1.

Analyst: Igor Churkin

Indonesia: -1

Indonesia has not complied with its G20 commitment on international development assistance. However, Indonesia has made some steps to meet some of the UN Millennium Development Goals.

At the press conference at Atma Jaya University held in late May, 2010, the UN under-secretary-general Kiyotaka Akasaka noticed that Indonesia had improved primary education, increased gender equality and decreased child mortality rates. "However, the Indonesian Government should work harder to achieve the fifth MDG, on maternal health; the sixth MDG, on HIV/AIDS and other public health issues; and the seventh MSG, on environmental sustainability", he said.⁹⁰⁸ However, these actions were undertaken to achieve the MDGs at the national level. No measures to assist developing countries in meeting the MDGs were registered during the monitoring period.

There is no applicable information related to compliance with other parts of the commitment. Therefore, Indonesia receives a score of -1 for failing to implement this commitment.

Analyst: Maria Tyurikova

Italy: -1

⁹⁰⁵ Niebel attends topping off ceremony for Namibian-German cement factory // The official website of the Ministry for Economic Cooperation and Development. 04.02.2010. URL:

http://www.bmz.de/en/press/pm/2010/february/pm_20100204_20.html (date of access: 01.06.2010).

⁹⁰⁶ Paris Club creditors agree to provide 100% debt relief to Afghanistan // The official website of the Paris Club.

17.03.2010. URL: <http://www.clubdeparis.org/sections/communication/communiqués/afghanistan7941/switchLanguage/en> (date of access: 01.06.2010).

⁹⁰⁷ Pledges and Contributions // The official website of The Global Fund To Fight AIDS, Tuberculosis and Malaria.

31.02.2010. URL: http://www.theglobalfund.org/documents/pledges_contributions.xls (date of access: 26.04.2010).

⁹⁰⁸ Mixed progress on RI's Millennium Development Goals: UN // The Jakarta Post. 31.05.2010. URL: <http://www.thejakartapost.com/news/2010/05/31/mixed-progress-ri039s-millennium-development-goals-un.html> (date of access: 31.05.2010).

Italy has failed to comply with its G20 commitment on international development assistance, having implemented only one part of the commitment.

According to the Italian Ministry of Foreign Affairs, in 2009 the best funded MDG was MDG 1 (25%), followed by MDG 7 (3.5%) and MDG 4 (2.8%).⁹⁰⁹ However, no particular measures confirming this fact were registered during the period of monitoring.

Italy's current draft budget plans estimate an ODA volume of EUR3.043 billion (USD3.63 billion) in 2010, representing an ODA/GNI ratio of 0.20%. The figures are estimated on the basis of the current legislation. The Budget Law for 2010-12 could be amended until its final approval. According to the Organization for Economic Co-operation and Development (OECD), the Italian ODA fell by 31.1% in 2009 because of the decrease in overall aid and reduced debt relief.⁹¹⁰ The OECD also estimates that Italy will miss its 2010 commitment.⁹¹¹ Eckhard Deutscher, Chair of the Development Assistance Committee (DAC), pointed out that Italy was one of the few notable underperformers in meeting its commitments. As a result, according to Deutscher, overall aid will be short of what was promised.⁹¹²

Action Aid reports that Italy accounts for 40 per cent of the European Union's financial shortfall in failing to meet its goal as a member of the OECD. Action Aid considers OECD estimates "overoptimistic" and projects Italian ODA for 2010 at only 0.18 per cent, as opposed to the 0.51 per cent commitment made at Gleneagles. When debt relief is discounted, Italian ODA is expected to fall by 19 per cent between 2009 and 2010.⁹¹³

According to the OECD Development Cooperation Report, in 2009 the portion of debt relief of the bilateral Italian aid was decreased by 10 per cent in comparison with 2008. According to the 2010 DATA Report, prepared by international non-profit organization ONE, Italy is also not on the track to meet its commitments to cancel debt to the world's poorest countries.⁹¹⁴

However, some positive trends in Italy's international assistance were registered during the period of monitoring. On 9 April 2010, the Italian Government outlined its strategies for development and cooperation for the period of 2010 - 2012. While the document published by the Foreign Affairs Ministry states that 50 per cent of the total funds available will be allocated to Sub-Saharan Africa, it does not specify what this amount will be, or how such funding will be allocated.⁹¹⁵

On 27 October 2009, the Italian Government passed a motion to increase development funding by the end of 2010, after cutting out a EUR500 million (USD603.3 million) commitment.⁹¹⁶ Action Aid

⁹⁰⁹ Italian Aid in 2009 // Italian Aid at a Glance. 8.02.2010. URL: <http://actionaiditaly.blogspot.com/> (date of access: 26.04.2010).

⁹¹⁰ Development aid rose in 2009 and most donors will meet 2010 aid targets // Organization for Economic Co-operation and Development (Paris). 14.04.2010. URL: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 19.04.2010).

⁹¹¹ Development aid rose in 2009 and most donors will meet 2010 aid targets // Organization for Economic Co-operation and Development (Paris). 14.04.2010. URL: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 19.04.2010).

⁹¹² Donors' mixed aid performance for 2010 sparks concern // Organization for Economic Co-operation and Development (Paris). 17.02.2010. URL: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 19.04.2010).

⁹¹³ ⁹¹³ EU aid ambitions derailed by Italy, Action Aid (Rome) // Italian Aid at a Glance. 23.02.2010. URL: <http://actionaiditaly.blogspot.com/2010/02/eu-aid-ambitions-derailed-by-italy.html> (date of access: 19.04.2010).

⁹¹⁴ 2010 DATA Report // The official web site of the ONE International. URL: <http://www.one.org/report/2010/en/downloads/> (date of access: 2.06.2010).

⁹¹⁵ Cooperation: Guidelines for the period 2010-2012 // The official web site of the Ministry of Foreign Affairs (Rome) 9.04.2010. URL: http://www.esteri.it/MAE/IT/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/04/20100409_Cooperazione2010_2012.htm (date of access: 1.06.2010).

⁹¹⁶ Government commits to increase in aid allocation before.12., Action Aid (Rome) 26.10.2009. URL: <http://actionaiditaly.blogspot.com/2009/10/government-commits-to-increase-aid.html> (date of access: 1.06.2010).

reports that if Italy does not announce more funding to the Ministry of Foreign Affairs, the Ministry will face a 33 per cent reduction in 2011, directly impacting the level of ODA available.⁹¹⁷

Therefore, Italy has been awarded a score of -1 for implementing only one part of the commitment on ODA and failing to meet other parts of commitment, such as debt relief, aid for trade, MDGs and Gleneagles commitment.

Analyst: Harris Quach and Yuriy Zaytsev

Japan: 0

Japan has partially complied with its G20 commitment on international development assistance, having implemented four out of five parts of the commitment.

In order to assist developing countries to achieve the MDGs Japan has undertaken the following measures.

On 10 December 2009, JICA signed a Japanese ODA loan agreement with the Republic of Indonesia to provide up to JPY37.444 billion (USD410 million) for the Climate Change Program Loan (II) (including Economic Stimulus and Budget Support Loan).⁹¹⁸

Within Climate Change Japanese ODA Loan in Sub-Saharan Africa on 31 March, 2010 Japan International Cooperation Agency (JICA) signed an Agreement with Kenya Electricity Generating Company Ltd at Nairobi to provide up to JPY29.516 billion (USD320 million) for the Olkaria I Unit 4 and 5 Geothermal Power Project. The World Bank, the European Investment Bank and the German Development Bank (KfW) are considering their participation in the project as co-financiers.⁹¹⁹

Japan has fully complied with its commitment on ODA and fulfilled its Gleneagles commitment (by 2008) and has since continued with its commitment to double bilateral aid to Africa within three years by 2012.

In 2008 Japan pledged to double its development aid by 2012 and free up to USD2 billion of grant and technical assistance in 2009.⁹²⁰ To this end, Japan has extended various aid grants to African countries.

On 4 February 2010, Japan extended a grant of JPY1.11 billion (USD12 million) to Botswana for the promotion of renewable energy and JPY570 million (USD6.24 million) to Niger for food aid.⁹²¹ In the same month, Japan announced JPY767 million (USD8.4 million) to fund the training of teachers in Djibouti and JPY2.025 billion (USD22.2 million) for the rehabilitation of treatment plants in Kinshasa, Rwanda.⁹²²

On 8 March 2010, Japan announced a grant of JPY1.1 billion (USD12 million) for forest preservation in Kenya.⁹²³ In the same month, Japan also extended a number of grants totaling JPY2.806 billion (USD30.7 million) to Ghana for poverty reduction, clean energy development, coping with climate change and forest preservation. In addition, Japan extended a grant of JPY505 million (USD5.53

⁹¹⁷ Italian ODA in 2009 after G8 Summit, Action Aid (Rome) 5 .08. 2009. URL:

<http://actionaiditaly.blogspot.com/2009/08/italian-oda-in-2009-after-g8-summit.html> (date of access: 1.06.2010).

⁹¹⁸ Japanese ODA Loan for Indonesia New Assistance to Combat Global Warming // The official web site of the Japan International Cooperation Agency. 10.12.2009. URL: <http://www.jica.go.jp/english/news/press/2009/091210.html> (date of access: 1.06.2010).

⁹¹⁹ Signing of Japanese ODA Loan with the Republic of Kenya// The official web site of the Japan International Cooperation Agency. 31.03.2010. URL: http://www.jica.go.jp/english/news/press/2009/100331_04.html (date of access: 1.06.2010).

⁹²⁰ The Data Report 2009: Monitoring the G8 promise to Africa // The official web site of the ONE International. 19.05.2010. URL: <http://www.one.org/international/datareport2009/downloads.html> (date of access: 1.06.2010).

⁹²¹ Exchange of Notes in Fiscal Year 2009 Grant Aid by Date // The official web site of the Ministry of Foreign Affairs (Tokyo). URL: <http://www.mofa.go.jp/POLICY/oda/note/grant-9.html>. (date of access: 1.06.2010).

⁹²² Exchange of Notes in Fiscal Year 2009 Grant Aid by Date// The official web site of the Ministry of Foreign Affairs. URL: <http://www.mofa.go.jp/POLICY/oda/note/grant-9.html>. (date of access: 1.06.2010).

⁹²³ Exchange of Notes in Fiscal Year 2009 Grant Aid by Date // The official web site of the Ministry of Foreign Affairs (Tokyo). URL: <http://www.mofa.go.jp/POLICY/oda/note/grant-9.html> (date of access: 1.06.2010).

million) to Nigeria to fund a project for water supply. Also in March 2010, Japan pledged JPY1.64 billion (USD18 million) to Burkina Faso and JPY1.22 billion (USD13.4 million) to Benin for both food aid and coping with climate change. Japan extended grants of JPY1.44 billion (USD15.8 million) to Ethiopia for food aid and security and JPY2.4 billion (USD26.3 million) to Ethiopia and the Gabonese Republic for forest preservation. Japan is also providing JPY2.67 billion (USD29.3 million) to Gambia and Senegal for coping with climate change and food security. On 26 March 2010, Japan announced a grant of JPY1.435 billion (USD15.7 million) to Rwanda, in addition to the JPY1.3 billion (USD14.2 million) it is providing to Senegal, for water supply projects.⁹²⁴

According to the OECD data, Japan was the fifth largest contributor of ODA in 2009, donating USD9.5 billion. This sum represents a 10.7 per cent decrease from the previous year; however, this is mostly due to reductions in debt relief. The OECD recognizes that although Japan has made significant contributions to international financial institutions, the level of its ODA is only 0.18 per cent of GNI.⁹²⁵ Eckhard Deutscher, Chair of the Development Assistance Committee (DAC), pointed out that Japan was one of the few notable underperformers in meeting its commitments. As a result, according to Deutscher, overall aid will be short of what was promised.⁹²⁶ Japan aims to increase its ODA in 2010 but the exact level is not yet known.⁹²⁷

During the period monitoring no actions on debt relief or aid for trade undertaken by Japan were registered. However, Japan has fully complied with other 3 parts of the commitment, having met MDGs, ODA pledges and Glenegleas commitments. Thus, Japan has been awarded a score of 0.

Analyst: Harris Quach and Yuriy Zaytsev

Republic of Korea: 0

The monitoring has revealed that the Government of the Republic of Korea actively assists international development. However the Republic of Korea has partially complied with the G20 commitment, having implemented three components. No facts on relieving debt for heavily indebted developing countries and no facts on aid for trade measures by the Republic of Korea were registered during the monitoring period.

According to the MDG Monitor (the initiative of the United Nations organization) the Republic of Korea has achieved 5 out of 8 MDGs, such as extreme poverty and hunger eradication, universal primary education achievement, child mortality reduction, maternal health improvement, HIV/AIDS, malaria and other diseases combat. There is not enough data available for assessing the achievement of two MDGs, such as ensuring environmental sustainability and developing a global partnership for development.⁹²⁸

On 11 October 2009, regarding the widespread H1N1, the Government of the Republic of Korea decided to provide emergency relief supplies that worth USD5 million to Ukraine to support its recovery efforts and join to the international community's humanitarian activities. In regard to the damages caused by H1N1, the Government of Ukraine called on international organizations including

⁹²⁴ Exchange of Notes in Fiscal Year 2009 Grant Aid by Date // The official web site of the Ministry of Foreign Affairs (Tokyo). URL: <http://www.mofa.go.jp/POLICY/oda/note/grant-9.html> (date of access: 1.06.2010).

⁹²⁵ Development aid rose in 2009 and most donors will meet 2010 aid targets// The official web site of the Organisation for Economic Cooperation and Development (Paris). 14.04.2010. URL: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1.00.html (date of access: 1.06.2010).

⁹²⁶ Donors' mixed aid performance for 2010 sparks concern// The official web site of the Organization for Economic Cooperation and Development (Paris). 17.02.2010. URL: http://www.oecd.org/document/60/0,3343,en_34968570_35008930_42454588_1_1_1_1.00.html (date of access: 1.06.2010).

⁹²⁷ Development aid rose in 2009 and most donors will meet 2010 aid targets // The official web site of the Organisation for Economic Cooperation and Development (Paris). 14.04.2010. URL: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1.00.html (date of access: 1.06.2010).

⁹²⁸ Tracking the Millennium Development Goals. The Republic of Korea // The official web site of the MDG Monitor. URL: http://www.mdgmonitor.org/country_progress.cfm?c=KOR&cd=410 (date of access: 26.04.2010).

WHO and other governments for emergency humanitarian assistance, and the Korean Government will provide Ukraine with high functional masks.⁹²⁹

On 8 October 2009, with regard to the great human and property loss incurred from typhoon “Ketsana” on 29-30 September, 2009 in Vietnam, the Government of the Republic of Korea provided emergency relief assistance USD100,000 to the Government of Vietnam to support relief efforts.⁹³⁰

In order to support the effort of the Samoan government in restoring Tsunami-affected areas Government of the Republic of Korea decided to provide Samoa with emergency humanitarian assistance USD100,000. The Korean Government has also contributed USD100,000 to the emergency appeal launched by International Federation of Red Cross (IFRC) to support Tsunami relief operations in Samoa.⁹³¹

On 14 January 2010, regarding the earthquake in Haiti, the Government of the Republic of Korea decided to provide humanitarian aid worth USD1 million, including the dispatch of an emergency rescue team and the provision of emergency relief supplies.⁹³²

On 8 February 2010, with regard to enormous loss of human lives caused by an avalanche near the Salang Pass in northern Afghanistan, the Government of the Republic of Korea has decided to provide emergency relief supplies worth of USD100,000 to support recovery efforts.⁹³³

In April 2010, South Korea contributed USD50 million as the “founding donor” to the USD1 billion Global Agriculture and Food Security Program that was first proposed at the economic summit of the G20 in Pittsburgh in September 2009.⁹³⁴

In October 2009 the Government of the Republic of Korea decided to provide emergency food aid worth of USD100,000 in order to support efforts to overcome food shortages in Guatemala and join the international community in its humanitarian assistance activities.⁹³⁵

In order to achieve the Gleneagles commitments the Republic of Korea has implemented the following actions. From 1 January to 4 November 2009, Korea provided trust fund utilization approvals for African Development Bank of USD1.7 million, which constitutes 12,95% of the trust fund utilization volume.⁹³⁶ Korea’s military troops participated in peacekeeping operations in Darfur,⁹³⁷ Sudan,⁹³⁸ Côte d’Ivoire,⁹³⁹ Liberia⁹⁴⁰ and Western Sahara.⁹⁴¹

⁹²⁹ Pledges and Contributions // The official website of The Global Fund To Fight AIDS, Tuberculosis and Malaria. 31.03.2010. URL: http://www.theglobalfund.org/documents/pledges_contributions.xls (date of access: 26.04.2010).

⁹³⁰ Tracking the Millennium Development Goals. The Republic of Korea// The official web site of the MDG Monitor. URL: http://www.mdgmonitor.org/country_progress.cfm?c=KOR&cd=410 (date of access: 26.04.2010).

⁹³¹ Tracking the Millennium Development Goals. The Republic of Korea// The official web site of the MDG Monitor. URL: http://www.mdgmonitor.org/country_progress.cfm?c=KOR&cd=410 (date of access: 26.04.2010).

⁹³² Tracking the Millennium Development Goals. The Republic of Korea// The official web site of the MDG Monitor. URL: http://www.mdgmonitor.org/country_progress.cfm?c=KOR&cd=410 (date of access: 26.04.2010).

⁹³³ Tracking the Millennium Development Goals. The Republic of Korea// The official web site of the MDG Monitor. URL: http://www.mdgmonitor.org/country_progress.cfm?c=KOR&cd=410 (date of access: 26.04.2010).

⁹³⁴ Korea Helps Launch Global Food Security Program// The official web site of the Malaysian National News Agency. 23.04.2010. URL: <http://www.bernama.com.my/bernama/v5/newsindex.php?id=492883> (date of access: 26.04.2010).

⁹³⁵ Korea Helps Launch Global Food Security Program// The official web site of the Malaysian National News Agency. 23.04.2010. URL: <http://www.bernama.com.my/bernama/v5/newsindex.php?id=492883> (date of access: 26.04.2010).

⁹³⁶ The 2010-2012 Programme and Budget. // The official website of the African Development Bank URL: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Budget-Documents/2010-2012%20PROGRAMME%20AND%20BUDGET%20PROPOSALS.pdf> (date of access: 26.04.2010).

⁹³⁷ UNAMID Facts and Figures. African Union/United Nations Hybrid operation in Darfur// The official website of the United Nations. URL: <http://www.un.org/en/peacekeeping/missions/unamid/facts.shtml> (date of access: 26.04.2010).

⁹³⁸ UNAMID Facts and Figures. African Union/United Nations Hybrid operation in Darfur// The official website of the United Nations. URL: <http://www.un.org/en/peacekeeping/missions/unamid/facts.shtml> (date of access: 26.04.2010).

⁹³⁹ UNAMID Facts and Figures. African Union/United Nations Hybrid operation in Darfur// The official website of the United Nations. URL: <http://www.un.org/en/peacekeeping/missions/unamid/facts.shtml> (date of access: 26.04.2010).

⁹⁴⁰ UNAMID Facts and Figures. African Union/United Nations Hybrid operation in Darfur // The official website of the United Nations. URL: <http://www.un.org/en/peacekeeping/missions/unamid/facts.shtml> (date of access: 26.04.2010).

The Government of the Republic of Korea has fulfilled 3 out of 5 parts of the commitment, having undertaken actions to meet the MDGs, achieve ODA pledges and comply with Gleneagles commitments. Thus, Korea is awarded a score of 0.

Analyst: Alexander Simonov

Mexico: 0

Mexico has partially complied with its G20 commitment on international development assistance, having implemented two out of five components of the commitment. During the monitoring period no actions on aid for trade and debt relief were registered. Mexico also failed to meet Gleneagles commitments.

In order assist developing countries to achieve the MDGs Mexico has undertaken the following actions.

On 24 October 2009, the government of Mexico has released 42 tons of food aid to overcome the food crisis in Guatemala caused of drought, which had destroyed corn and string bean crops. The aid consisted of corn, string bean, oil, cookies, rice and salt.⁹⁴²

In April 2010 during the meeting of Mexican Foreign Secretary Patricia Espinosa with the Haitian President René Préval it has been reported about the delivery of 50,000 tents donated by the Mexican Government in response to an expressed request of the Haitian President due to the fact that the rainy season has begun there.⁹⁴³

On 10 March 2010, during the meeting of Mexican Foreign Secretary Patricia Espinosa with President of Chile Michelle Bachelet and the incoming president, Sebastián Piñera it was proposed as part of the Mexico-Chile Cooperation Fund, that a team of Mexican specialists would assist with the rescue of the Chilean cultural heritage that was damaged by the earthquake. Also the additional aid has been delivered in March 2010.⁹⁴⁴

Foreign Secretary Espinosa during her speech at the the high-level meeting on rebuilding Haiti held on 31 March 2010 said that the USD8 million donation, announced in January by President Felipe Calderón Hinojosa, would be provided to Haitian Government and would used as follows: USD5 million to support government administration in Haiti and USD3 million to rebuild and expand facilities for orphans, a rehabilitation centre for disabled children and a vocational training school.⁹⁴⁵

According to the OECD Development Co-operation Directorate List, Mexico is one of the Official Development Assistance Recipients.⁹⁴⁶ In December 2009, Mexico' contribution to World Food

⁹⁴¹ MINURSO United Nations Mission for the Referendum in Western Sahara // The official website of the United Nations. URL: <http://www.un.org/en/peacekeeping/missions/minurso/facts.shtml> (date of access: 26.04.2010).

⁹⁴² Mexico sent 42 tons of food to aid Guatemala 24.10.2009// Aggregated News and Events on Agriculture. 24.10.2009. <http://www.agrifed.org/en/node/47812> (date of access: 26.04.2010).

⁹⁴³ Mexico Delivers 50,000 Tents to Haiti. Press Release. Secretaria de Relaciones Exteriores. 07.04.2010 URL: http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=499&Itemid=9 (date of access: 08.04.2010).

⁹⁴⁴ Mexico Delivers Humanitarian Aid to the Government of Chile. Press Release // The official web site of the Secretaria de Relaciones Exteriores. 12.02.2010 URL: http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=467&Itemid=9 (date of access: 15.03.2010).

⁹⁴⁵ Mexico to Donate Eight Million Dollars of Aid to Haiti. Press Release // The official web site of the Secretaria de Relaciones Exteriores. 1.04.2010. URL: http://portal3.sre.gob.mx/english/index.php?option=com_content&task=view&id=491&Itemid=9 (date of access: 12.04.2010).

⁹⁴⁶ DAC List of ODA Recipients // OECD web site. URL: <http://www.oecd.org/dataoecd/32/40/43540882.pdf> (date of access: 1.06.2010).

Program (WFP) was USD50,000 Mexico together with Chile are ranked 65-66 place in the list of 75 contributor countries.⁹⁴⁷

Thus, Mexico has implemented 2 out of 5 parts of the commitment and has been awarded a score of 0.

Analyst: Natalia Zlokazova

Russia: 0

Russia has partially complied with its G20 commitment on international development assistance, having fully implemented two out of five components of the commitment, such as MDGs achievement and ODA pledges fulfilment.

With respect to achievement of the MDGs Russia has undertaken the following measures.

According to the official representative of the Russia's Ministry of Foreign Affairs Alexander Nesterenko, in 2010 about USD2 million were allocated for food aid in Democratic Republic of Congo and USD2 million were directed as a special contribution for Guinea.⁹⁴⁸

During the compliance cycle the Russian Government has undertaken numerous actions to provide humanitarian assistance to China,⁹⁴⁹ Democratic People's Republic of Korea,⁹⁵⁰ Guinea,⁹⁵¹ Haiti,⁹⁵² Sri-Lanka,⁹⁵³ Ukraine,⁹⁵⁴ Zimbabwe⁹⁵⁵ and other developing countries.

According to the Russian Minister of Finance Alexei Kudrin, "federal budget funds allocated by Russia to developing countries in 2009 on a bilateral and multilateral basis, which are classified by the OECD Development Assistance Committee as ODA, amounted to about USD800 million". It's 3.6 times higher than Russia's ODA in 2008 (USD220 million).⁹⁵⁶

⁹⁴⁷ Contributions to WFP 2009. 13.12. 2009. URL: <http://www.wfp.org/about/donors/wfp-donors/2009> (date of access: 14.12.2009).

⁹⁴⁸ Speech of the official representative of Russia's Ministry of Foreign Affairs Alexander Nesterenko // The official web site of the Ministry of Foreign Affairs of Russian Federation. 12.05.2010. URL: http://www.mid.ru/brp_4.nsf/0/C81CBBFEF69A9C6AC3257721004B4BFB (date of access: 2.06.2010).

⁹⁴⁹ A message on the second lot of humanitarian assistance to victims of the earthquake in Chinese Tsinghai province // The official web site of the Ministry of Foreign Affairs of the Russian Federation. 01.05.2010. URL: [http://www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/0c147591a53eda21c3257719004d0788/\\$FILE/04.05.2010.doc](http://www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/0c147591a53eda21c3257719004d0788/$FILE/04.05.2010.doc) (date of access: 11.05.2010).

⁹⁵⁰ On Russia's humanitarian aid to the DPRK // The official web site of the Ministry of Foreign Affairs of Russian Federation. 25.09.2009. URL: [www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/8a6bacb05a729398c325763c004315b7/\\$FILE/25.09.2009.doc](http://www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/8a6bacb05a729398c325763c004315b7/$FILE/25.09.2009.doc) (date of access: 12.05.2010).

⁹⁵¹ Events in the Republic of Guinea // The official web site of the Ministry of Foreign Affairs of the Russian Federation. 21.01.2010. URL: http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcb3/563e710547a73216c32576b4003558e1 (date of access: 12.05.2010).

⁹⁵² Russian Assistance for Quake-Devastated Haiti // The official web site of the Ministry of Foreign Affairs of the Russian Federation. 21.01.2010. URL: http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcb3/3ad03ee5c9a56041c32576b40035983d (date of access: 12.05.2010).

⁹⁵³ Allocation of humanitarian aid resources to Sri-Lanka // The official web site of the Ministry of Foreign Affairs of the Russian Federation. 29.07.2009. URL: [www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/b2d88a602b733aee325760300483169/\\$FILE/30.07.2009.doc](http://www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/b2d88a602b733aee325760300483169/$FILE/30.07.2009.doc) (date of access: 12.05.2010).

⁹⁵⁴ Government Order of 13.11. 2009 No. 1706-p // The official web site of the Government of the Russian Federation. 13.11.2009. URL: government.consultant.ru/doc.asp?ID=55414 (date of access: 12.05.2010).

⁹⁵⁵ Delivery of humanitarian assistance to Zimbabwe by Russia // The official web site of the Ministry of Foreign Affairs of the Russian Federation. 21.08.2009. URL: [www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/2a6251508ec0177ac3257619004161fc/\\$FILE/21.08.2009.doc](http://www.ln.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/2a6251508ec0177ac3257619004161fc/$FILE/21.08.2009.doc) (date of access: 12.05.2010).

⁹⁵⁶ Opening Address by Russia's Minister of Finance A.L. Kudrin at the International Conference on New Partnerships in Global Development Finance // The official web site of the New Partnerships in Global Development Finance Conference. 17.02.2010. URL: http://www.mgdf.ru/eng/press/speeches/opening_kudrin (date of access: 18.05.2010).

On 3 October 2009, the Russian Government signed a USD50 million grant with the World Bank to help finance its Rapid Social Response (RSR) Multi-Donor Trust Fund Facility. The Russian grant will be disbursed into the Trust Fund over the course of the next three years.⁹⁵⁷

On 10 November 2009, Russia declared its readiness to allocate USD3.3 million to the UN bodies. According to Russian representative Alexander Alimov in 2010 Russia plans to contribute USD1.1 million to the UN Development Program (UNDP), USD1 million to the UN Children's fund (UNICEF); USD500,000 to the UN Office on Drugs and Crime (UNODC); USD400,000 to the UN Human Settlements Program (UN-HABITAT), USD300,000 to the UN Population Fund (UNFPA). Particular volumes and payment schedule will depend on the actual performance of the Russian federal budget.⁹⁵⁸

On 17 February 2010 Russia and the World Bank signed two agreements that expand Russia's role as a regional donor to Eastern European and Central Asian countries. One is a program to increase excellence in effective public financial management, including through a center to deliver professional training to specialists throughout the region. According to Russian Minister of Finance "the program is planned for five years, and Russia will allocate USD30 million, including USD4 million in 2010". The second agreement commits Russia and the World Bank to expanding current regional cooperation for low-income countries, focusing on the quality of education and food security, as well as health, infectious disease control, access to energy, and agriculture.⁹⁵⁹

In January 2010 Deputy Minister of Foreign Affairs A. Saltanov stated that Russia had written off USD20 billion as debts to African states during last years.⁹⁶⁰ However, it isn't clear what period of time is mentioned. Russia also participated in debt relief provided by the Paris Club to the Republic of Congo in March 2010⁹⁶¹ and to the Central African Republic in September 2009⁹⁶².

Russia has substantially increased its ODA in 2009 and contributed to the achievement of the MDGs during the compliance cycle, having fulfilled 2 out of 5 commitment components. However, no information on Russia's compliance with its individual Gleneagles commitment, nor facts of Russia's efforts on debt relief to African states and aid for trade during current compliance cycle have been registered. Thus, Russia is awarded a score of "0".

Analyst: Yuriy Zaytsev and Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with the G20 commitment on international development assistance to meet the Millennium Development Goals and ODA pledges, including Aid for Trade and debt relief provisions. Hence during the compliance period Saudi Arabia has undertaken no measures to comply with commitments on aid for trade and debt relief.

⁹⁵⁷ Russia Signs USD50 million grant for World Bank to Help Developing Countries Protect Poor and Vulnerable People During Crisis // The official web site of the World Bank. 3.10.2009. URL: <http://go.worldbank.org/E6OAXYQHC0> (date of access: 12.05.2010).

⁹⁵⁸ 22 states have promised to allocate USD58 million to finance the UN operational activity // The official web site of the United Nations Organization. 10.11.2009. URL: www.un.org/russian/news/fullstorynews.asp?newsID=12637. (date of access: 12.05.2010).

⁹⁵⁹ World Bank Group President Robert B. Zoellick Visited Russia upon the Invitation of the Government - Feb 18, 2010 // the official web site of the World Bank. 17.02.2010. URL: <http://go.worldbank.org/F2ZTSBPB60> (date of access: 18.05.2010).

⁹⁶⁰ Interview of Deputy Minister of Foreign Affairs A.V. Saltanov "Russia and the Middle East", "International Affairs" No. 12, 2009 // The official web site of the Ministry of Foreign Affairs of the Russian Federation. 13.01.2010. URL: http://www.mid.ru/brp_4.nsf/0/44F5671485529C40C32576AA00491FA7 (date of access: 18.05.2010).

⁹⁶¹ The Paris Club agrees to provide 100% debt relief to the Republic of Congo, // The official web site of the Paris Club. 18.03.2010. URL: <http://www.clubdeparis.org/sections/communication/communiqués/congo2270> (date of access: 18.05.2010).

⁹⁶² The Paris Club cancels almost 100% of the debt of the Central African Republic // The official web site of the Paris Club. 15.09.2009. URL: <http://www.clubdeparis.org/sections/communication/communiqués/congo2270>. (date of access: 18.05.2010).

With respect to commitment on assistance to developing countries in MDG achievement the efforts undertaken by Saudi Arabia were directed to meet MDG 2,3,8.

On 12 November 2009, Justice Minister Muhammad Al-Eisa declared that women would eventually be allowed to practice as lawyers representing women clients. For conservative Islamic country it is a significant step in respect of gender equality and women empowerment⁹⁶³, ⁹⁶⁴. This corresponds with achievement of the MDG3.

On 10 November 2009, Alwaleed bin Talal Foundation, headed by Prince Alwaleed bin Talal, sent emergency supplies to help people displaced by the ongoing conflict in northern Yemen, having provided 1,000 tents and 10,000 blankets⁹⁶⁵. This corresponds with achievement of the MDG8.

On 14 December 2009, the Cabinet approved a memorandum of scientific and educational cooperation between the Ministry of Education in Saudi Arabia and the Ministry of National Education and Higher Education in the Republic of Djibouti⁹⁶⁶.

On 14 December 2009, Saudi Development Fund approved soft loans to such countries as Bahrain, Jordan, Maldives, Sri Lanka, Tunisia, Mali, Rwanda, Cape Verde to support social systems. The total sum of loans is about USD200 million.⁹⁶⁷ On 5 January 2010, Saudi Development Fund approved soft loans to Morocco (USD24 million)⁹⁶⁸, Sierra Leone (USD1.6 million), Malawi (USD12 million), Bangladesh (USD45 million), China (USD60 million), Indonesia (USD36 million). During the compliance period the Saudi Fund for Development has signed 10 loan agreements with such countries as Niger, Burkina Faso, Sudan, Pakistan, Kenya, Albania, Azerbaijan, Mauritania with total amount of USD250 million.⁹⁶⁹

On 1 January 2010, Saudi Arabia donated 10 more ambulance vans to Sudan's Darfur region. Saudi Red Crescent Authority (SRCA) had earlier signed agreements with the Sudanese Ministry of Humanitarian Affairs to establish and operate 28 health centers and 21 water supply stations at a total cost of SAR70 million (USD18.7 million) to help 500,000 people in Darfur⁹⁷⁰.

On 12 March 2010 Saudi Arabian Finance Minister Ibrahim Al-Assaf declared that Saudi Arabia had consistently exceeded the UN target of 0.7 percent of GNI over the long term, and will continue the policy of assisting developing countries bilaterally and through multilateral, regional and international organizations.⁹⁷¹

To comply with Gleneagles commitments Saudi Arabia has undertaken the following measures.

Saudi Arabia will participate in funding of the IMF programme to help 16 African nations to stop their gold and diamond sectors from being misused to fund terrorism. Six of the 16 countries that will lead

⁹⁶³ Women to practice as lawyers // The official web site of the A1SaudiArabia.com. Saudi Arabia News and Updates. 13.11.2009. URL: <http://www.a1saudiarabia.com/Women-to-practice-as-lawyers/> (date of access: 24.04.2010).

⁹⁶⁴ Alwaleed sends aid to Yemen // The official web site of the A1SaudiArabia.com. Saudi Arabia News and Updates. 10.11.2009. URL: <http://www.a1saudiarabia.com/Alwaleed-sends-aid-to-Yemen/> (date of access: 24.04.2010).

⁹⁶⁵ Alwaleed sends aid to Yemen // The official web site of the A1SaudiArabia.com. Saudi Arabia News and Updates. 10.11.2009. URL: <http://www.a1saudiarabia.com/Alwaleed-sends-aid-to-Yemen/> (date of access: 24.04.2010).

⁹⁶⁶ Cabinet Session, 14.12.2009 // The official website of Kingdom of Saudi Arabia Ministry of Foreign Affairs. 14.12.2009. URL: <http://www.mofa.gov.sa/Detail.asp?InNewsItemID=102673> (date of access: 24.04.2010).

⁹⁶⁷ Loans approved // The official website of the Saudi Fund for Development. URL: http://www.sfd.gov.sa/pro_agr.htm (date of access: 24.04.2010).

⁹⁶⁸ Loans approved // The official website of the Saudi Fund for Development. URL: http://www.sfd.gov.sa/pro_agr.htm (date of access: 24.04.2010).

⁹⁶⁹ Loans signed // The official website of the Saudi Fund for Development. URL: http://www.sfd.gov.sa/pro_sign.htm (date of access: 24.04.2010).

⁹⁷⁰ Kingdom donates 10 more ambulances to Darfur // The official web site of the A1SaudiArabia.com. Saudi Arabia News and Updates. 01.01.2010. URL: <http://www.a1saudiarabia.com/Kingdom-donates-10-more-ambulances-to-Darfur/> (date of access: 24.04.2010).

⁹⁷¹ Statement submitted to the Eighteenth Meeting of the Development Committee // World Bank Group's Internet. 01.12.2009. URL: <http://siteresources.worldbank.org/DEVCOMMIT/Documentation/22420830/DC2009-0016Statements80DCMeeting.pdf> (date of access: 24.04.2010).

off taking part in the workshops are: Burundi, the Central African Republic, the Democratic Republic of Congo, Ivory Coast, Mali, and Togo⁹⁷².

Saudi Arabia has taken active steps to promote MDG achievement and established productive cooperation with African countries. Considering that no actions have been undertaken to comply with commitments on debt relief and aid for trade, Saudi Arabia has complied with three out of five components of the commitment and receives a score of 0.

Analyst: Maria Datsik

South Africa: +1

South Africa actively contributed to the actions on development, having implemented 4 out of 5 components of the commitment.

During the 6th session of the Binational Commission between South Africa and Sweden the political, economic and social affairs have been discussed, the great attention has been paid to the element of development cooperation according to the Medium Term Strategic Framework 2009-2014. The modalities given are partner driven cooperation (PDC), direct support to combat HIV and AIDS, and trilateral cooperation. The indicative amount for ODA-funded activities is SEK90 million (USD11.4 million) a year, of which at least half should be geared towards PDC. Trilateral cooperation will be financed from the third country or regional organisations' allocation.⁹⁷³ Moreover, South Africa and Algeria (together with Nigeria and Kenya) are using space technology to manage mineral and other resources and to preserve the environment through the framework for African Resources Management Environmental Constellation (ARMC)⁹⁷⁴. This initiative is one of the concrete NEPAD projects that contribute to the efficient management of natural resources and the preservation of the environment that complies with the MDGs.

Regarding achieving ODA pledges South Africa has undertaken the following measures.

The Deputy Minister of International Relations and Cooperation of the Republic of South Africa, H.E. Ms Sue van der Merwe highlighted in his statement made the during the International Donors' Conference Towards a New Future for Haiti that South Africa committed to add to the material and financial contributions and pledges a further ZAR5 million (USD0.65 million) to the ongoing effort, including the involvement of the provinces and local governments as well as the civil society and national broadcaster. The South African Broadcasting Corporation has launched a national appeal which has risen more than ZAR2.5 million (USD0.33 million) and this, South African Government's contributions to the reconstruction effort.⁹⁷⁵

Deputy Minister of International Relations and Co-operation of South Africa Ebrahim Ebrahim held the discussions with the Speaker of the Saharawi National Assembly and Head of the Polisario Front delegation in the negotiation with Morocco Mahfud Ali Beiba within the context of South Africa's continued support for international efforts towards Western Sahara self-determination in accordance with democratic principles and United Nations resolutions. Ebrahim reiterated South Africa's

⁹⁷² IMF to help Africa monitor gold, diamond sectors // The official web site of the Africa the good news. 15.03.2010. URL: <http://www.africagoodnews.com/trade-and-investment/imf-to-help-africa-monitor-gold-diamond-sectors.htm> (date of access: 24.04.2010).

⁹⁷³ Joint Declaration on the 6th Session of the South Africa-Sweden Binational Commission // The official web site of the Department of international relations and cooperation. 17.03.2010. URL: <http://www.dirco.gov.za/docs/2010/sa-swed0317.html> (date of access: 17.04.2010).

⁹⁷⁴ Opening Remarks on the occasion of the 5th Session of the Senior Officials Meeting between South Africa and Algeria of the Bi-National Commission. Pretoria // The official web site of the Department of international relations and cooperation. 31.03.2010. URL: <http://www.dirco.gov.za/docs/speeches/2010/mash0401.html> (date of access: 17.04.2010).

⁹⁷⁵ Statement by the Deputy Minister of International Relations and Cooperation of the Republic of South Africa, H.E. Ms Sue van der Merwe, during the International Donors' Conference Towards a New Future for Haiti // The official web site of the Department of international relations and cooperation. 31.03.2010. URL: <http://www.dirco.gov.za/docs/speeches/2010/merw0401.html> (date of access: 17.04.2010).

commitment to “render political support and humanitarian assistance to the Saharawi Arab Democratic Republic under the African Renaissance Fund.”⁹⁷⁶

To comply with the commitment on aid for trade the Government of South Africa has undertaken the following measures. The Minister of International Relations and Cooperation of South Africa M Nkoana-Mashabane confirmed the commitment to the finalisation of the Doha Developmental Round, and urged developed countries to demonstrate the same political will, which will give legitimacy to the global trading system.⁹⁷⁷

The Agreement Between the Governments of the Republic of Uganda and the Republic of South Africa regarding Cooperation and Mutual Assistance Between their Customs Administrations and the Joint Ministerial Statement on Trade and Economic Cooperation have been signed during the State Visit to Uganda of H. E. President Jacob Zuma from 24 to 26 March 2010.⁹⁷⁸ Also the Bilateral Investment Treaty (BIT) between the Governments of the Republic of South Africa and Zimbabwe on the promotion and reciprocal protection of investments was signed on 27 November 2009 in Harare at a Trade and Investment seminar.⁹⁷⁹

On 16 November 2009 To comply with Gleneagles commitment the South African Police Service (SAPS), the National Treasury and the Royal Norwegian Embassy signed a Financial Agreement of ZAR55 million (USD7.16 million) in support of a police training project in the Sudan according the Memorandum of Understanding (MoU) between the Government of the Republic of South Africa and the Government of Sudan on police assistance (signed on 5 May 2007). The Norwegian Embassy was consulted for financial assistance on the implementation of the MoU and the funds earmarked for the project will be divided in three parts, 70 per cent will be spent in the Southern Sudan, 20 per cent in Darfur and 10 per cent in Khartoum.⁹⁸⁰

So, South Africa undertook measures to implement 4 components of the commitment, including MDG achievement, ODA allocation, aid for trade provision and the joint Gleneagles commitments compliance. This might be considered as a full compliance of the commitment on international development assistance and be awarded a score of +1.

Analyst: Arina Shadrikova

Turkey: -1

Turkey has not complied with its G20 commitment on international development assistance.

On 6 May 2010 Turkey and Botswana signed a commercial, economic and technical cooperation agreement in agriculture, agricultural irrigation, food, transportation and energy according to which

⁹⁷⁶ Deputy Minister Ebrahim Ebrahim holds discussions with the head of Polisario Front Delegation to the negotiation with Morocco // The official web site of the Department of international relations and cooperation. 10.10.2009. URL: <http://www.dirco.gov.za/docs/speeches/2009/ebra1009.html> (date of access: 17.04.2010).

⁹⁷⁷ Opening remarks Minister of International Relations and Cooperation M Nkoana-Mashabane on the occasion of the fifth session of the senior officials meeting between South Africa and Algeria of the Binational Commission // The official web site of the Department of international relations and cooperation. 31.03.2010. URL: <http://www.info.gov.za/speeches/2010/10040109351001.htm> (date of access: 17.04.2010).

⁹⁷⁸ Joint Communiqué by the Republic of Uganda and the Republic of South Africa on the occasion of the State Visit to Uganda of H. E. President Jacob Zuma. Kampala // The official web site of the Department of international relations and cooperation. 26.03.2010. URL: <http://www.dirco.gov.za/docs/2010/ugan0331.html> (date of access: 17.04.2010).

⁹⁷⁹ Statement on the Cabinet Meeting. Cape Town // The official web site of the Department of international relations and cooperation. 24.03.2010. <http://www.dirco.gov.za/docs/2010/cabinet0325.html> (date of access: 17.04.2010).

⁹⁸⁰ Signing of Financial Agreement between the SAPS and Royal Norwegian Embassy in Support of SAPS Training of the Police Forces of the Sudan // The official web site of the Department of international relations and cooperation. 20.11.2009. URL: <http://www.dirco.gov.za/docs/2009/norw1120.html> (data of access: 06.05.2010).

two countries can launch negotiations on a free trade agreement, an agreement to prevent double taxation, and an agreement on investment and incentives.⁹⁸¹

During monitoring period Turkey has failed to implement any component of the commitment. Thus Turkey has been awarded a score of -1.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The United Kingdom has fully complied with its G20 commitment on international development assistance. During the period of monitoring the Government of the UK has implemented 4 out of 5 components of the commitment.

The UK is actively contributing to the achievement of the MDGs. To address the challenges of the global poverty in more effective way the Government of the UK has decided to stop the projects totaling more than GBP6.5million (USD9.46 million). Projects will be tested to ensure they are providing maximum value for money, with a halt on funding for any project that fails to meet tough results-based criteria.⁹⁸²

To contribute to achievement of the MDG6 on combating HIV/AIDS the UK has provided urgently needed contraceptive supplies to Uganda. This measure also helps to prevent unwanted pregnancies and improve family planning, DFID Secretary of State Andrew Mitchell said on 20 May 2010.⁹⁸³

At the Gleneagles Summit, the UK pledged to double African aid between 2004 and 2008. In addition, the UK announced a schedule to reach 0.7 per cent ODA/GNI by 2013 and maintain it at that level thereafter.⁹⁸⁴ The UK has already accomplished the first portion of its commitment by the L'Aquila Summit, and is now focused on staying on track with the ODA increase schedule. If it achieves the level set by 2013, the UK will be the first G8 member to reach the 0.7 per cent ODA/GNI goal set by the UN.⁹⁸⁵

On 1 April 2010, the Department for International Development (DFID) released a press statement saying that UK aid in 2009 has reached GBP7.365 billion (USD10.7 billion) or 0.52 per cent of national income.⁹⁸⁶ Aid to Sub-Saharan Africa has also increased by GBP256 million (USD372.5 million) in this period.⁹⁸⁷ Furthermore, the budget announced by Chancellor Alister Darling in March 2010 shows an increase in ODA spending by the UK Government to GBP9.1 billion (USD13.24 billion) between 2010 and 2011.⁹⁸⁸ The Organization for Economic Cooperation and Development

⁹⁸¹ Turkey, Botswana sign economic cooperation agreement // The official web site of the The Anatolia News Agency URL: <http://www.todayszaman.com/tz-web/news-209468-turkey-botswana-sign-economic-cooperation-agreement.html> (date of access: 06.05.2010).

⁹⁸² Immediate freeze on DFID UK-based 'awareness' projects// the official web site of the Department for International Development of the United Kingdom.17.05.2010. URL: <http://www.dfid.gov.uk/Media-Room/Press-releases/2010/Mitchell-Immediate-freeze-on-DFID-UK-based-awareness-projects/> (date of access: 2.06.2010).

⁹⁸³ Britain to provide life-saving contraception in Uganda// the official web site of the Department for International Development of the United Kingdom.20.05.2010. URL: <http://www.dfid.gov.uk/Media-Room/Press-releases/2010/Mitchell-Britain-to-provide-life-saving-contraception-in-Uganda> (date of access: 2.06.2010).

⁹⁸⁴ The ONE Data Report: The United Kingdom // The official web site of the ONE International. URL: <http://www.one.org/international/datareport2009/unitedkingdom.html>. (date of access: 16.12.2009).

⁹⁸⁵ The ONE Data Report: The United Kingdom // The official web site of the ONE International. URL: <http://www.one.org/international/datareport2009/unitedkingdom.html>. (date of access: 16.12.2009).

⁹⁸⁶ UK aid hits 45 year high // The official web site of the DFID (London) 1.04.2010.URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-aid-hits-45-year-high/> (date of access: 2.05.2010).

⁹⁸⁷ Statistical Release: Provisional UK Development Assistance as a proportion of national income 2009 // The official web site of the DFID (London) 2010. URL:

http://www.dfid.gov.uk/Documents/publications/ODA%202009%20Statistical%20Release%20-%20publication%20version_P1.pdf (date of access: 3.05.2010).

⁹⁸⁸ UK budget steers steady course for 0.7 // UK Aid Network (London) 25.02.2010. [http://www.ukan.org.uk/index.php?id=62&tx_ttnews\[tt_news\]=8&tx_ttnews\[backPid\]=9&cHash=c823a36486](http://www.ukan.org.uk/index.php?id=62&tx_ttnews[tt_news]=8&tx_ttnews[backPid]=9&cHash=c823a36486) (date of access: 3.05.2010).

(OECD) estimates UK aid at 0.60 per cent of GNI for 2010.⁹⁸⁹ This places the UK on track with meeting its commitment of achieving 0.7 per cent ODA/GNI by 2013.

The United Kingdom has also scaled up its bilateral aid to African countries. On 27 November 2009, the UK pledged GBP50 million (USD72.8 million) toward the development of clean energy in the world's poorest countries, with particular emphasis on Africa.⁹⁹⁰ On 1 March 2009, International Minister Gareth Thomas announced a grant of GBP20 million to Ethiopia to help tackle the local food crisis.⁹⁹¹ The DFID granted GBP38 million (USD55.3 million) to Zambia over the next 10 years in order to help a total of 69 000 households out of extreme poverty,⁹⁹² and GBP7.5 million (USD10.9 million) to Somalia for the provision of clean water, medicine and emergency food.⁹⁹³ The UK will also contribute GBP20 million (USD29.1 million) of the DFID budget to the World Food Programme's emergency food operation in Sudan.⁹⁹⁴

In September 2009 Prime Minister Gordon Brown addressed the ODA issue in his keynote speech at the Labour Party convention. He made a commitment that the target of 0.7 per cent of national income spent on development aid from 2013 on would "in the future become law."⁹⁹⁵ To this end, a draft bill was announced in the Queen's Speech on 18 November 2009 proposing to legally bind the UK Government to the suggested target.⁹⁹⁶ In April 2010, the British Conservative Party and Liberal Democrat Party have committed to introducing the new legislation in parliament, should either side form the next government after the May 2010 elections.⁹⁹⁷

On 18 March 2010 The representatives of the Paris Club creditor countries, including UK, met with the Republic of Congo and agreed on a reduction of the debt following the Republic of Congo having reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries

⁹⁸⁹ Development aid rose in 2009 and most donors meet 2010 aid targets // The official web site of the Organization for Economic Cooperation and Development (Paris) 14.04.2010. URL:

http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 3.05.2010)

⁹⁹⁰ Press Release: £50m puts developing countries at the forefront of green energy revolution // DFID (London) 16.12.2009. URL: <http://www.dfid.gov.uk/Media-Room/Press-releases/2009/50m-puts-developing-countries-at-the-forefront-of-green-energy-revolution/> (date of access: 17.12.2009).

⁹⁹¹ UK provides 20 million emergency funding for Ethiopia // The official web site of the DFID (London) 1.02.2010. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-provides-20-million-emergency-funding-for-Ethiopia/> (date of access: 3.05.2010).

⁹⁹² UK support to tackle extreme poverty in Zambia // The official web site of the DFID (London) 18.02.2010. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-pledges-major-support-to-tackle-extreme-poverty-in-Zambia/> (date of access: 3.05.2010).

⁹⁹³ UK announces additional aid for Somalia // The official web site of the DFID (London) 10.02.2010. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-announces-additional-aid-for-Somalia/> (date of access: 3.05.2010).

⁹⁹⁴ Emergency food aid for Sudan // The official web site of the DFID (London) 27.04.2010. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Emergency-food-aid-for-Sudan/> (date of access: 3.05.2010).

⁹⁹⁵ Gordon Brown's Conference Speech in Full // The official web site of the The Guardian (Brighton) 29.09.2009. URL: <http://www.guardian.co.uk/politics/2009/sep/29/gordon-brown-labour-conference-speech-in-full> (date of access: 16.12.2009).

⁹⁹⁶ New bill proposed to secure spending on international aid // The official web site of the The UK Committee for UNICEF (London) 19.11. 2009. URL: http://www.unicef.org.uk/press/news_detail_full_story.asp?thesource=rssnews&news_id=1423 (date of access: 16.12.2009).

⁹⁹⁷ Conservatives commit to 0.7% legislation in manifesto // The official web site of the UK Aid Network (London) 14.04.2010. URL: [http://www.ukan.org.uk/index.php?id=62&tx_ttnews\[tt_news\]=10&tx_ttnews\[backPid\]=9&cHash=64286c5bd6](http://www.ukan.org.uk/index.php?id=62&tx_ttnews[tt_news]=10&tx_ttnews[backPid]=9&cHash=64286c5bd6) (date of access: 3.05.2010).

(enhanced HIPC Initiative) on 27 January 2010.⁹⁹⁸ The amount treated constituted USD2.474 billion , of which USD981 million being canceled , of which USD1.493 billion being rescheduled.⁹⁹⁹

Paris Club creditors, including UK, agreed on 25 February 2010 with the Government of the Democratic Republic of Congo to a restructuring of its external public debt, following the approval by the International Monetary Fund (IMF) of a new three-year arrangement under the Extended Credit Facility on 11 December 2009. This agreement has been concluded under the so called “Cologne terms” designed by the Paris Club for the implementation of the HIPC initiative interim debt relief. It treats around USD 2.957 million (arrears and maturities) and leads to the cancellation of USD 1.310 million and the rescheduling of around USD1.647 million over the period of the IMF program.¹⁰⁰⁰

Thus, the Government of the UK has implemented four out of five components of the commitment, such as MDGs, debt relief, ODA pledges and Gleneagles commitment and has been awarded a score of +1.

Analyst: Sabina Voicu and Yuriy Zaytsev

United States: +1

The United States has fully complied with its G20 commitment on international development assistance having undertaken measures to achieve the MDGs, to write off the debts to Afghanistan, implement Gleneagles commitment and fulfil ODA pledges.

The USA actively contributes to the achievement of the MDGs globally.

On 22 April 2010 in conjunction with World Malaria Day, and in accordance with the requirements of the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis and Malaria Reauthorization Act of 2008 (Lantos-Hyde), the U.S. Government (USG), through the President's Malaria Initiative (PMI), released a comprehensive strategy to combat malaria globally.¹⁰⁰¹

On 23 February 2010 the United States Agency for International Development (USAID) donated a Federal Medical Station, valued at approximately USD577,000, to St. Damien Hospital in Port-au-Prince, Haiti. The pediatric hospital survived the 7.0 magnitude January 12 earthquake relatively unscathed, but was quickly overwhelmed by patients of all ages and unprepared for the numbers of adults requiring urgent care.¹⁰⁰²

These measures correspond with achievement of the MDG6.

On 13 January 2010 in the aftermath of the earthquake in Haiti, USAID provided 14,550 tons of food aid which will help feed 1.2 million people for two weeks and is valued at approximately USD18 million, to assist those affected by the disaster.¹⁰⁰³ This measure relates to the achievement of the MDG1.

⁹⁹⁸ The Paris Club agrees to provide 100% debt relief to the Republic of Congo // The official web site of the Paris Club. 18.05.2010. URL: <http://www.clubdeparis.org/sections/communication/communiqués/congo2270/viewLanguage/en> (date of access: 2.06.2010).

⁹⁹⁹ Congo Debt Treatment // The official web site of the Paris Club. 18.05.2010. <http://www.clubdeparis.org/sections/traitements/congo-20100318/viewLanguage/en> (date of access: 2.06.2010).

¹⁰⁰⁰ Democratic Republic of Congo // The official web site of the Paris Club. 25.02.2010. URL: <http://www.clubdeparis.org/sections/communication/communiqués/republique-democratique4190/viewLanguage/en> (date of access: 2.06.2010).

¹⁰⁰¹ U.S. Releases Six-Year Strategy to Combat Malaria Globally // The official web site of the USA Agency for International Development. 22.04.2010. URL: <http://www.usaid.gov/press/releases/2010/pr100422.html> (date of access: 2.06.2010).

¹⁰⁰² USAID Donates Medical Station to St. Damien Hospital of Port-au-Prince // The official web site of the USA Agency for International Development. 24.02.2010. URL: <http://www.usaid.gov/press/releases/2010/pr100224.html> (date of access: 2.06.2010).

¹⁰⁰³ USAID to Provide Emergency Food Aid for Haiti Earthquake Victims // The official web site of the USA Agency for International Development. 13.01.2010. URL: <http://www.usaid.gov/press/releases/2010/pr100113.html> (date of access: 2.06.2010).

According to the Organization for Economic Cooperation and Development (OECD), the United States was the largest provider of ODA in 2009, with USD28.7 billion in total. This sum marks a 5.4 per cent increase in real terms and a rise from 0.19 to 0.20 per cent ODA/GNI in 2009 compared to the previous year.¹⁰⁰⁴ In 2010, the United States' contribution to global development has increased to USD34.2 billion, as detailed in the federal budget sheet.¹⁰⁰⁵ Total net US ODA flows to Sub-Saharan Africa consequently increased by 10.5 per cent in 2009, reaching USD7.5 billion. According to OECD calculations, the United States has attained its goal of doubling aid to Sub-Saharan Africa in 2009, one year early from the projected target 2010.¹⁰⁰⁶

The Obama administration has announced further increases in US development spending for the following years. President Barack Obama's budget request for 2011 includes a significant increase of USD3.16 billion (or 69 per cent) in foreign aid directed specifically toward Least Developed Countries.¹⁰⁰⁷ The budget request demands USD36.4 billion for total foreign assistance, out of which USD1.28 billion would be allocated to the Millennium Challenge Corporation and USD156 million to the African Development Fund.¹⁰⁰⁸

The United States has extended its aid to build development relationships with particular countries in Africa. On 26 January 2010, the United States Agency for International Development (USAID) donated USD465 thousand worth of protective clothing kits for influenza preparedness in Zimbabwe.¹⁰⁰⁹ On 11 February 2010, USAID provided USD1.7 million in grants to fund three health related development programs in Madagascar.¹⁰¹⁰ USAID has also made contributions to developing nations outside of Africa, with an estimated USD574 million in humanitarian assistance going to Haiti after the earthquake in January 2010.¹⁰¹¹

The representatives of the Paris Club creditor countries and of the Islamic Republic of Afghanistan agreed on 17 March 2010 on a debt cancellation of USD 441 million following Afghanistan's having reached its Completion Point under the enhanced initiative for the Heavily Indebted Poor Countries (enhanced HIPC Initiative) on 27 January 2010.¹⁰¹²

Thus, the United States of America have fully complied with G20 commitment, having implemented four out of five components, and got a score of +1.

Analyst: Sabina Voicu and Yuriy Zaytsev

¹⁰⁰⁴ Development aid rose in 2009 and most donors will meet 2010 aid targets // The official web site of the Organization for Economic Cooperation and Development (Paris). 14.04.2010. URL:

http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 2.06.2010).

¹⁰⁰⁵ ONE's analysis of the President's FY2011 budget request // ONE (Washington DC). 02.02.2010. URL:

<http://www.one.org/c/us/policybrief/3237/> (date of access: 2.06.2010).

¹⁰⁰⁶ Development aid rose in 2009 and most donors will meet 2010 aid targets // The official web site of the Organization for Economic Cooperation and Development (Paris). 14.04.2010. URL:

http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 2.06.2010).

¹⁰⁰⁷ ONE's analysis of the President's FY2011 budget request // The official web site of the ONE (Washington DC).

02.02.2010. URL: <http://www.one.org/c/us/policybrief/3237/> (date of access: 2.06.2010).

¹⁰⁰⁸ Obama administration unveils plan to kick start US aid reform // The official web site of the Devex. 10.03.2010. URL:

<http://www.devex.com/articles/obama-administration-unveils-plans-to-kickstart-us-aid-reform> (date of access: 2.06.2010).

¹⁰⁰⁹ US donates protective clothing for influenza preparedness and response to Zimbabwe // The official web site of the USAID Zimbabwe(Harare). 26.01.2010. URL: http://www.usaid.gov/zw/012610_influenza_response.html (date of access: 2.06.2010).

¹⁰¹⁰ Increasing community access to health services and strengthening the role of civil society organizations in promoting health // The official web site of the USAID Madagascar (Antananarivo). 11.02.2010. URL:

http://www.usaid.gov/mg/communique/press_santenet2.html (date of access: 2.06.2010).

¹⁰¹¹ Haiti Earthquake Factsheet, USAID (Washington D.C.) 16.04.2010. URL:

http://www.usaid.gov/our_work/humanitarian_assistance/disaster_assistance/countries/haiti/template/fs_sr/fy2010/haiti_eq_fs50_04-16-2010.pdf (date of access: 2.06.2010).

¹⁰¹² Paris Club creditors agree to provide 100% debt relief to Afghanistan // The official web site of the Paris Club Creditors. 17.03.2010. URL:

<http://www.clubdeparis.org/sections/communication/communiqués/afghanistan7941/viewLanguage/en> (date of access: 2.06.2010).

European Union: 0

The European Union has partially complied with its G20 commitment on international development assistance, having implemented 3 out of 5 components of the commitment, related to MDGs, aid for trade, ODA.

The EU is undertaking a wide range of actions to assist developing countries to meet the MDGs.

On 19 March 2010 the European Commission and the African Caribbean Pacific group of 79 States have concluded the second revision of the Cotonou Partnership Agreement. As a result of fruitful dialogue since mid-2009, ACP-EU cooperation will be adapted to today's challenges, such as climate change, food security, regional integration, State fragility and aid effectiveness. It also focuses on the importance of regional integration for ACP countries' economic and sustainable growth. This agreement will be reviewed every five years until 2020.¹⁰¹³

On 21 April 2010 the European Commission has adopted an ambitious action plan for EU action to speed up progress towards the Millennium Development Goals (MDGs)¹⁰¹⁴ The action plan sets out a possible EU position ahead of the UN Summit on the MDGs in September 2010.¹⁰¹⁵

On 23-24 April 2010 Andris Piebalgs, EU Commissioner for Development, traveled to Haiti, to launch the first reconstruction project, funded by the EU. This was the first high-level EU visit to Haiti since the International Donors' Conference "Towards a New Future for Haiti" during which the EU collectively pledged more than EUR1.2 billion (USD1.45 billion) for Haiti's reconstruction.¹⁰¹⁶

At the Gleneagles Summit the EU pledged to increase its level of aid to 0.56 per cent of GNI by 2010, nearly doubling its 2004 ODA level. At least 50 per cent of this increase was pledged to Sub Saharan Africa.¹⁰¹⁷ Although the European Union continues to provide more than half of development aid worldwide, total ODA for 2009 fell down to USD67.1 billion, marking a slight but noticeable decrease of 0.2 per cent from the previous year, according to OECD.¹⁰¹⁸ The European Commission reports that current ODA levels correspond to 0.42 per cent of EU GNI, placing the European Union "still far from meeting the intermediate collective target of 0.56 per cent GNI [in] 2010, before reaching 0.7 per cent EU GNI by 2015."¹⁰¹⁹

The European Commission recognizes that a number of EU members have already met and surpassed their country specific targets. Denmark, Luxembourg, the Netherlands, Norway and Sweden have exceeded the UN goal of devoting 0.7 per cent of GNI to development aid, with Sweden achieving a

¹⁰¹³ Renewed impetus in the fight against poverty: the EU and ACP states initial the revised Cotonou Partnership Agreement // The official web site of the European Commission. 19.03.2010. URL: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/327&format=HTML&aged=0&language=EN&guiLanguage=en> (date of access: 2.06.2010).

¹⁰¹⁴ Communication from the Commission: A twelve-point EU action plan in support of the Millennium Development Goals // The official web site of the European Commission. 21.04.2010. URL: http://ec.europa.eu/development/icenter/repository/COMM_COM_2010_0159_MDG_EN.PDF (date of access: 2.06.2010).

¹⁰¹⁵ Achieving the Millennium Development Goals (MDGs) // The official web site of the European Commission. URL: http://ec.europa.eu/development/how/achieving_mdg_en.cfm (date of access: 2.06.2010).

¹⁰¹⁶ The official web site of the European Commission. 28.04.2010. URL: http://ec.europa.eu/development/index_en.cfm (date of access: 2.06.2010).

¹⁰¹⁷ G8 Gleneagles 2005: Africa // UNAIDS (Geneva) URL: http://data.unaids.org/Topics/UniversalAccess/postg8_gleneagles_africa_en.pdf (date of access: 2.06.2010).

¹⁰¹⁸ Development aid rose in 2009 and most donors will meet 2010 aid targets // The official web site of the Organization for Economic Cooperation and Development (Paris). 14.04.2010. URL: http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html (date of access: 25.04.2010).

¹⁰¹⁹ Development aid and Millennium Development Goals: EU Commission calls Member States to get back on track for and better aid // European Union at United Nations (Brussels). 21.04.2010. URL: http://europa-eu-un.org/articles/en/article_9681_en.htm (date of access: 25.04.2010).

level of 1.0 per cent ODA/GNI.¹⁰²⁰ However, drastic aid budget cuts in Italy and Ireland of 31.1 per cent and 18.9 per cent respectively, account for the overall decrease in EU ODA.¹⁰²¹

On 21 April 2010, the European Commission adopted a twelve-point action plan to speed up progress towards the achievement of the Millennium Development Goals. European Commissioner for Development Andris Piebalgs declared that the plan is meant to coordinate policies of member states in order to bring the EU back on track towards fulfilling its commitments. In his statement Piebalgs has added that the 2015 targets are still achievable, “provided there is financial effort and political will from EU member states.”¹⁰²²

On 17 March 2010 the Commission adopted a EUR190 million (USD231.6 million) support package for banana exporters from African, Caribbean and Pacific (ACP) states. This proposal was part of the historic Geneva Agreement on Trade in Bananas. The EU concluded this deal with Latin American countries and the US in December 2009 which settles 15 years banana disputes. It also cuts the tariff which the EU applies to bananas imported from Latin American countries. Today's measures aim to support ACP banana exporters to adjust to this new trading environment, taking into account each country's specific situation. The measures will focus on three goals: boosting the banana sector's competitiveness, promoting economic diversification and addressing broader social, economic and environmental impacts.¹⁰²³

The European Union has fulfilled only three components of the commitment, having failed to meet Gleneagles and debt relief commitments. Thus, the EU is awarded a score of 0 for partial compliance of the commitment.

Analysts: Sabina Voicu and Yuriy Zaytsev

¹⁰²⁰ Press Release: Getting the Millennium Development Goals back on track: a twelve points EU action plan // Europa (Brussels) 21.04.2010. URL: <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/147&format=HTML&aged=0&language=EN&guiLanguage=en#footnote-1> (date of access: 25.04.2010).

¹⁰²¹ Official Development Assistance 2009: Poverty on the up as EU aid falls // European Network on Debt and Development (Brussels). 14.04.2010. URL: <http://www.eurodad.org/whatsnew/articles.aspx?id=4082> (date of access: 25.04.2010).

¹⁰²² Development aid and Millennium Development Goals: EU Commission calls Member States to get back on track for and better aid // European Union at United Nations (Brussels). 21.04.2010. URL: http://europa-eu-un.org/articles/en/article_9681_en.htm (date of access: 25.06.2010).

¹⁰²³ Trade in bananas: Commission proposes support package for ACP producers' competitiveness// the official web site of the European Commission. 17.05.2010. URL: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/287&type=HTML&aged=0&language=EN&guiLanguage=en> (date of access: 2.06.2010).

8. Aid Effectiveness: The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action

100 - We note the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action and will work to increase the transparency of international aid flows by 2010.

G20 Leaders' Statement: The Pittsburgh Summit

Background

The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action seek to reform the way development aid is delivered and managed in order to strengthen its impact and effectiveness. The Paris Declaration is an agreement between more than 100 donor and recipient (partner) governments as well as international organizations including the IMF, World Bank and a number of regional development banks. Signed in March 2005 at the 2nd High-Level Forum on Aid Effectiveness, the Declaration seeks to accelerate the achievement of the 2015 Millennium Development Goals (MDGs) by addressing five key development cooperation principles: alignment, harmonization, managing for results, mutual accountability and ownership.¹⁰²⁴

The Accra Agenda for Action (AAA), signed in 2008 at the 3rd High Level Forum on Aid Effectiveness, builds on the commitments made in the Paris Declaration, setting out four further key development aid principles: conditionality, country systems, predictability, and untying aid. The Accra Agenda includes the input of Non-Governmental Organizations (NGOs) and Community-Based Organizations (CBOs).¹⁰²⁵

To track progress made towards the principles contained in both the Declaration and the Accra Agenda, the Task Force on Monitoring the Paris Declaration was set up. This task force “tracks and encourages progress” towards the nine principles using a set of twelve indicators and targets.

Commitment Features

The commitment calls for an improvement of existing development practices through the full implementation of the Paris Declaration and the AAA. The AAA lists three specific principles of development that are to be adhered to if the international community is to meet the Paris Declaration’s 2010 goals. These principles are as follows:

8. Country ownership is key through the active engagement of country governments and citizens, through the support of country priorities, investment in human resources, and the creation of a system of probable and predictable aid.

9. Building of more effective and inclusive partnerships through the engagement of several development partners including middle-income countries, global funds, the private sector, civil society organizations. All development actors must work together in more inclusive partnerships to enable these efforts to have a greater impact on reducing poverty.

10. Achieving and accounting for development results to citizens and taxpayers of all countries. Accountability to respective parliaments/governing bodies must exist for all outcomes.

Given that these commitments are critical to the implementation of the Paris Declaration, assessing members’ progress in complying with the commitments will be indicative of their overall progress regarding implementation of the Paris Declaration and the AAA.

Scoring

¹⁰²⁴ The Paris Declaration on Aid Effectiveness// The official web site of the OECD Development Cooperation Directorate. <http://www.oecd.org/dataoecd/11/41/34428351.pdf> (date of access: 11.01., 2010).

¹⁰²⁵ The Accra Agenda for Action// The official web site of the OECD Development Cooperation Directorate. URL: <http://www.oecd.org/dataoecd/11/41/34428351.pdf> (date of access: 11.01. 2010)

-1	The development and aid initiatives of member state have met none of the three core principles outlined in the AAA during the compliance period.
0	The development and aid initiatives of member state have met one or two (of the three) core principles outlined in the AAA during the compliance period.
+1	The development and aid initiatives of member state have met all three core principles outlined in the AAA during the compliance period.

Assessment:

G20 member	Lack of compliance	Work in progress	Full Compliance
Argentina	-1		
Australia		0	
Brazil	-1		
Canada			+1
China		0	
France		0	
Germany		0	
India	-1		
Indonesia	-1		
Italy		0	
Japan			+1
Republic of Korea		0	
Mexico		0	
Russian Federation		0	
Saudi Arabia		0	
South Africa		0	
Turkey	-1		
UK			+1
USA		0	
EU	+1		
Compliance Average	-0.05		

Compliance by country

Argentina: -1

Argentina has not complied with the commitment to promote Aid Effectiveness.

No information on Argentina's compliance with the three core principles outlined in the Accra Agenda for Action during the compliance cycle has been registered.

As a result, Argentina is awarded a score of -1.

Australia: 0

Australia has partially complied with its commitment to implement principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (AAA) during the compliance period.

In November 2009, the Australian Agency for International Development and the Asian Development Bank signed the Partnership Framework on Development for 2009-2016 which is aimed, inter alia, at promoting greater effectiveness, particularly through donor coordination and harmonization.¹⁰²⁶ This measure is in line with the AAA principle of building of more effective and inclusive partnerships.

No information on Argentina's compliance with the principles of country ownership and achieving and accounting for development results outlined in the AAA during the compliance cycle has been found.

Thus, Australia has taken measures to implement 1 of the 3 core principles of the AAA and is awarded a score of 0.

Analyst: Darya Frolova

Brazil: -1

Brazil has not complied with a commitment to implement core principles of Paris Declaration and Accra Agenda for Action (AAA).

On 22 April 2010, Brazilian President Lula da Silva said his country would assist poorer South American countries. He said: "Brazil is Latin America's largest economy and must be the first to extend a hand."¹⁰²⁷

No information on Brazil's compliance with the three core principles outlined in the AAA during the compliance cycle has been found. Thus, Brazil is awarded a score of -1.

Analyst: Polina Cherepova

Canada: +1

Canada has fully complied with its commitments regarding the Accra Agenda for Action (AAA) for aid effectiveness.

On 16 October 2009, Minister of International Cooperation Beverley Oda outlined Canada's aid agenda, stating that the Canadian International Development Agency (CIDA) will pursue "projects and programs that are sustainable and include building local capacity, are developed through consultations with government and local communities, projects and programs that are integrated with national or regional poverty reduction strategies and agricultural plans where they exist and clearly identify expected outcomes both quantifiable and qualitative that can be reported to all Canadians." As well, the minister called for "greater cooperation among governments, donors and NGO organizations."¹⁰²⁸ Together, these statements reiterate the three core principles of the AAA. However, this declaration itself cannot be considered compliance.

On 3 November 2009, the Auditor General of Canada tabled a report to the federal government recommending several changes to Canada's aid program. Recommendations included "taking into account recipient country needs and capacities" and evaluating and monitoring "progress against

¹⁰²⁶ New AusAID-Asian Development Bank Partnership Framework // The official website of the Commonwealth of Australia. 02.11.2009. URL: <http://www.ausaid.gov.au/partner/adb-framework.cfm> (date of access: 01.05.2010).

¹⁰²⁷ Brazilian president wants to be closer to neighbours // The official website of Malaysia Sun. 22.04.2010. URL: <http://story.malaysiasun.com/index.php/ct/9/cid/3a8a80d6f705f8cc/id/625935/cs/1/> (date of access: 26.04.2010).

¹⁰²⁸ The Food Security Strategy // The official website of CIDA (Ottawa) 16.10.2009. <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAD-1019134236-NS7> (date of access: 12.12. 2009).

targets and performance indicators on an annual basis.”¹⁰²⁹ These recommendations echo AAA commitments 8 and 10. CIDA has agreed to implement all recommendations.

On 8 April 2010, Minister Oda announced that Canada would support the Haitian government’s efforts to rebuild after the January earthquake. Funding will be focused on financing humanitarian organizations, rebuilding hospitals and training police officers. The government has pledged CDN20 million (USD18.9 million) dollars for the creation of a provincial hospital in Gonaives in conjunction with the Haitian Government’s Action plan. Further, another donation of CDN65 million (USD61.4 million) to the Canadian Red Cross, UN, and other humanitarian organizations is for small projects including water sanitation and emergency education. An additional donation for CDN34.1 million (USD32.2 million) dollars is for the construction of a Haitian National Police Academy and training for officers.¹⁰³⁰ These donations conform to both article 8 and 9 of the AAA. The Canadian government has focused its efforts on the needs of the Haitian people and is partnering with other organizations to maximize aid effectiveness.

On 6 March 2010, the Canadian government announced that it would be renewing funding for Burmese refugees and displaced peoples. The previous funding of CDN12.4 million (USD11.7 million) for the past five years is being renewed for another five at the amount of CDN15.9 million (USD15 million). The original donation proved effective in treating approximately one million cases of malaria and tuberculosis among other ailments. Health care services have been provided to 500,000 refugees and food aid has been provided to nearly 145,000 refugees. The success of this program and its subsequent renewal conforms to article 10 of the commitment. The government hopes to continue working alongside humanitarian organizations to build upon past successes.¹⁰³¹ This spirit of cooperation conforms to article 9 of the commitment. There is no evidence that article 8 has been implemented.

For its ongoing implementation of all aspects of the Accra Action Agenda, Canada is receiving a score of +1 for this compliance cycle.

Analyst: Salahuddin Raffiquddin

China: 0

China has partially complied with its commitment on aid effectiveness.

On 8 November 2009, Chinese Premier Wen Jiabao said that China would take eight new measures to support Africa over the next three years. The measures include energy projects (solar power, biogas and small hydropower plants), training of African professionals, building of new schools, and zeroing tariffs for 95 per cent of the products from the least developed countries.¹⁰³² These measures are in line with the AAA principle of country ownership.

China has implemented 1 of the 3 core principles of the AAA and receives a score of 0.

Analyst: Svetlana Nikitina

France: 0

France has partially complied with its commitments to improve aid effectiveness as established by the Paris Declaration and the Accra Agenda for Action (AAA).

On 1 October 2009 the Agence Française de Développement (AFD) pledged EUR230 million

¹⁰²⁹ Government Accepts Auditor General’s Recommendations// The official website of CIDA (Ottawa) 5.11. 2009. URL: <http://www.w3.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAD-11511311-MDF> (Date of Access: 12.12. 2009).

¹⁰³⁰ Government of Canada Announces Additional Funding for Humanitarian Assistance and Key Projects to Support Haiti Action Plan// The official website of CIDA (Ottawa) 8.04.2010. <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAT-4874638-FTQ>. (date of access: 14.05. 2010)

¹⁰³¹ Canada Renews Support for Burmese Refugees and Displaced People// The official website of CIDA (Ottawa) 6.02.2010. Date of Access: 14.05. 2010. <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-3694947-KE7>.

¹⁰³² China Promises \$10b in Loans, Debt Relief to Africa // Associated Press. 08.11.2009. URL: <http://www.thejakartaglobe.com/business/china-promises-10b-in-loans-debt-relief-to-africa/340401> (date of access: 08.11.2009).

(USD274.5 million) to support a range of countries and projects;¹⁰³³ likewise, they pledged a further EUR500 million (USD597 million) on 5 November 2009.¹⁰³⁴ Within these commitments, aid can be seen to support article 8 (country ownership), as most funds of money are being directed into areas of need as identified by the recipient country. For example, of the EUR200 million (USD239 million) pledged in October, EUR65 million(USD77.6 million) is being allocated to the Republic of Mauritius to support the country's National Sanitation Plan, and a further EUR20 million has been allocated to the Republic of Pakistan to assist Pakistani authorities in their bid to address the energy crisis in that country.¹⁰³⁵

On 14 April 2010, France Diplomatie published its Official Development Assistance budget for 2009.¹⁰³⁶ This action supports article 10 of the AAA by increasing transparency of aid allocations, but does not constitute full compliance with this article, as it does not support increased transparency on the part of recipient governments and aid organizations.

Thus, for partially realigning development aid within the framework of the AAA principles, France has been awarded a score of 0.

Analyst: Meara Deutsch-Goulet and Harlan Tufford

Germany: 0

Germany has partially complied with its commitments to improve aid effectiveness as established by the Paris Declaration and Accra Agenda for Action.

On 5 October 2009 at the International Monetary Fund (IMF)/World Bank annual meetings in Istanbul, the German Development Ministry (BMZ) executed a Memorandum of Understanding with the IMF pledging funding to assist their joint development of strengthened tax systems in developing countries. Contributions will include EUR9 million (USD10.7 million) to enhance tax structures supporting development and poverty reduction, and a supplementary allocation to the multi-donor Initiative on Tax Policy and Administration. BMZ's funding of EUR3 million (USD3.6 million) to assist regional training centres in Africa for public finance sector development will be expanded to include Central America.¹⁰³⁷ These actions fulfill article 9 by working to build effective partnerships between the private and public sectors, and through supporting further multi-donor initiatives.

On 16 October 2009 in Phnom Penh, Germany pledged EUR34 million (USD40.6 million) to Cambodia for 2009-10, to help improve rural road networks, support social protection mechanisms, reestablish lawful land ownership regulations, and create a court of auditors to foster decentralization and improved administration,¹⁰³⁸ thereby supporting article 10 to improve accountability.

¹⁰³³ AFD pledges 230 million euros to development at its 1.10.2009 Board of Directors Meeting// The official website of Agence Francaise de Développement (Paris) 1.10.2009. URL:

www.afd.fr/jahia/Jahia/lang/en/home/Presse/Communiquer/pid/40900 (date of access: 4.12. 2009).

¹⁰³⁴ AFD pledges some 500 million euros for development at its 5.11. Board of Directors Meeting// The official website of Agence Francaise de Développement (Paris) 5.11. 2009. URL:

www.afd.fr/jahia/Jahia/lang/en/home/Presse/Communiquer/pid/44105. (date of access: 4.12. 2009).

¹⁰³⁵ AFD pledges 230 million euros to development at its 1.10.2009 Board of Directors Meeting// The official website of Agence Francaise de Développement (Paris) 1.10.2009. (date of access: 4.12. 2009).

URL: www.afd.fr/jahia/Jahia/lang/en/home/Presse/Communiquer/pid/40900

¹⁰³⁶ Official Development Assistance: France's effort in 2009// The official website of France Diplomatie (Paris) 14.04.2010. URL: http://www.diplomatie.gouv.fr/en/france-priorities_1/development-and-humanitarian-action_2108/french-development-policy_2589/oda-budget_7134/official-development-assistance-france-effort-in-2009-14.04.10_13911.html. (date of access: 13.05. 2010).

¹⁰³⁷ Press Release: Improving developing countries' tax revenues// The official website of Ministry of Economic Cooperation and Development (Berlin) 5.10.2009. www.bmz.de/en/press/pm/2009/october/pm_20091005_90.html. (date of access: 3.12. 2009).

¹⁰³⁸ Press Release: Strengthening human rights in Cambodia// The official website of Ministry of Economic Cooperation and Development (Berlin) 16.10.2009. www.bmz.de/en/press/pm/2009/october/pm_20091016_94.html. (date of access: 3.12. 2009).

Although Germany has shown significant gains in aid ownership and untying, the metrics for accountability and program results remain less clear. Recent international aid action by Germany has been in line with articles 9 and 10, but appears to have failed to address article 8 (country ownership). Thus, Germany has been assigned a score of 0 for its satisfaction of the Paris Declaration and Accra Agenda for Action.

Analyst: Meara Deutsch-Goulet and Harlan Tufford

India: -1

India has not complied with its commitment to meet the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (AAA) and work to increase the transparency of international aid flows by 2010.

No information on India's compliance with the three core principles outlined in the AAA during the compliance cycle has been registered. Thus, India is awarded a score of -1.

Analyst: Igor Churkin

Indonesia: -1

Indonesia has failed to comply with its commitment to meet the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (AAA) and work to increase the transparency of international aid flows by 2010.

On 12 January 2009, the Government of Indonesia and its development partners signed "The Jakarta Commitment: Aid for Development Effectiveness: Indonesia's Road Map to 2014" (for the time being, 26 development partners adopted the document). This roadmap defines the policy direction towards development effectiveness up to 2014 and beyond.¹⁰³⁹

No information on Indonesia's compliance with the three core principles outlined in the AAA during the compliance cycle has been registered. Thus, Indonesia is awarded a score of -1.

Analyst: Maria Tyurikova

Italy: 0

Italy has partially complied with its commitments to improve aid effectiveness as established by the Paris Declaration and Accra Agenda for Action.

On 22 March 2010, the Italian government pledged USD16.3 million to support the state budget of Mozambique for 2010-2012.¹⁰⁴⁰ According to the agreement, the aid received by the Mozambique government would alleviate poverty, fight corruption and consolidate democracy. The government of Mozambique hopes to ensure the goals of economic, cultural and social sectors are met. The two governments hope to work together to achieve these goals. This donation fits articles 8 and 9 of the framework as outlined by the Paris Declaration and the Accra Agenda for Action. There is no evidence that this donation fits article 10.

On 29 September 2009, the Italian government announced that it would issue a soft-term loan of EUR20 million to Pakistan in order to promote technical and vocational education in the marble sector in North-West Frontier Province (NWFP) and Balochistan.¹⁰⁴¹ However, there is no evidence that any aspect of this loan will be presented within an aid framework correlating to the AAA

¹⁰³⁹ Indonesia's Endeavour for Aid Accountability and Transparency / Presented at the High-level Symposium on Accountable and Transparent Development Cooperation: Towards a More Inclusive Framework // The official website of the United Nations. URL: <http://www.un.org/en/ecosoc/newfunct/pdf/riyadi.pdf> (date of access: 30.05.2010).

¹⁰⁴⁰ Italy Confirms Budget Support, allAfrica.com (Maputo) 23.02.2010. URL: <http://allafrica.com/stories/201003231397.html>. (date of access: 3.04.2010).

¹⁰⁴¹ Australia, Italy pledge more aid to Pakistan // The official website of Dawn Media Group (Pakistan) 29.09.2009. (date of access: 29.11. 2009. URL: www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/07-australia-italy-pledge-more-aid-to-pakistan-ha-08.

recommendations.

On 8 December 2009, The Steering Committee of the General Directorate for Development Cooperation at the Italian Foreign Affairs Ministry pledged EUR4.8 million toward improving conditions in Lebanon. Of this package, EUR1.8 million will be put toward United Nations Development Program's (UNDP) "Water Table Map of Lebanon" project, EUR1.48 million will be put toward the United National Industrial Development Program (UNIDO) in the framework of the Project "Community Empowerment," EUR1.3 million will be allocated toward improving public health care systems with a focus on maternal-infant care, and EUR200 thousand will be invested in tourism.¹⁰⁴² Again, however, there is no evidence that the recommendations of the AAA have been used to underpin these programmes.

Thus, Italy has been awarded a score of 0 for partially complying with its commitment to the Paris Declaration and AAA protocols.

Analyst: Salahuddin Raffiquddin

Japan: +1

Japan has fully complied with its commitment to reform aid allocation, partially complying with all three principles of the AAA in allocating new aid and developing new programs.

In September 2009, the Study Panel for Preventing a Recurrence of ODA-Related Corruption put forward a report entitled Towards Preventing a Recurrence of Corruption Related to Official Development Assistance. The report calls on the Japanese Ministry of Foreign Affairs to take a more active role in cooperation with NGOs, recipient countries, and private firms, while reaffirming that developing countries have an onus to stave off corruption. However, there is no indication that the Japanese government has implemented these recommendations.¹⁰⁴³

Over the course of January and February 2010, Japan committed funds through UNICEF to development projects in several countries, including JPY159 million for the Republic of Congo,¹⁰⁴⁴ JPY125 million for Zimbabwe,¹⁰⁴⁵ and JPY124 million for Burundi.¹⁰⁴⁶ This funding works to support article 9 by building more inclusive partnerships, as the action partners with UNICEF, however it is only partially compliant as it does not engage several partners.

During this same period, Japan has reinforced its commitment to article 9, building bilateral partnerships with other governments through pledges of JPY36 million to Kenya,¹⁰⁴⁷ JPY60 million to Tanzania,¹⁰⁴⁸ and JPY25.822 billion to Vietnam in order to improve transport infrastructure. As well,

¹⁰⁴² Italy donates over \$7 million in development aid// The official website of The Daily Star (Beirut) 8 2009.12. URL: www.dailystar.com.lb/article.asp?edition_id=1&categ_id=1&article_id=109543. (date of access: 12.12. 2009).

¹⁰⁴³ Towards Preventing a Recurrence of Corruption Related to Official Development Assistance (ODA) // The official website of Ministry of Foreign Affairs (Tokyo).09.2009. URL: www.mofa.go.jp/policy/oda/reform/anti-corrupt/prevention.pdf. (date of access: 12.12. 2009).

¹⁰⁴⁴ Exchange of Notes for Grant Aid for the Republic of Congo (The Project for Infectious Diseases Prevention for Children in the Republic of Congo) through the United Nations Children's Fund (UNICEF) // The official website of Ministry of Foreign Affairs (Tokyo) 27.01. 2010. URL: http://www.mofa.go.jp/announce/announce/2010/1/0127_01.html. (date of access: 13.05. 2010).

¹⁰⁴⁵ Exchange of Notes for Grant Aid for the Republic of Zimbabwe (The Project for Infectious Diseases Prevention for Children) through the United Nations Children's Fund (UNICEF) // The official website of Ministry of Foreign Affairs (Tokyo) 26.01. 2010. URL: http://www.mofa.go.jp/announce/announce/2010/1/0126_05.html. (date of access: 13.05. 2010).

¹⁰⁴⁶ Exchange of Notes for Grant Aid for the Republic of Burundi (The Project for Infectious Diseases Prevention for Children) through the United Nations Children's Fund (UNICEF) // The official website of Ministry of Foreign Affairs (Tokyo) 18.01. 2010. URL: http://www.mofa.go.jp/announce/announce/2010/1/0118_02.html (date of access: 13.05. 2010).

¹⁰⁴⁷ Exchange of Notes for Grant Aid for the Republic of Kenya (The Project for the Construction of Nairobi Western Ring Roads [Detailed Design]), Ministry of Foreign Affairs (Tokyo) 23.02.2010. URL: http://www.mofa.go.jp/announce/announce/2010/2/0223_01.html. (date of access: 13.05. 2010).

¹⁰⁴⁸ Exchange of Notes for Grant Aid for the United Republic of Tanzania (the Project for Widening of the New Bagamoyo

Japan has announced JPY540 in aid to Burundi,¹⁰⁴⁹ JPY970 million to Egypt,¹⁰⁵⁰ and JPY2.955 billion toward clean energy and environmental projects.¹⁰⁵¹ Finally, Japan announced JPY2.025 billion toward water purification facilities in the Democratic Republic of the Congo,¹⁰⁵² JPY767 million toward education facilities in Djibouti,¹⁰⁵³ and JPY250 million toward food aid in Sao Tome and Principe.¹⁰⁵⁴ Once again, this action is only partially compliant with article 9, as multiple partners have not been identified. These funds are directed toward projects designed or supported by the recipient governments, thus this demonstrates Japanese compliance with AAA principles 8 (country ownership).

On 9 March 2010, Japan published a white paper detailing aid expenditures over the course of 2009.¹⁰⁵⁵ This action supports article 10 of the AAA by increasing transparency of aid allocations, but only constitutes partial compliance as it does not support increased transparency on the part of recipient governments and aid organizations.

Thus, Japan has been awarded a score of +1 for its compliance to the core principles of the AAA and the Paris Declaration.

Analyst: Michelle Lee & Harlan Tufford

Republic of Korea: 0

The country has partially fulfilled the commitment to reform aid allocation, partially complying with all three principles of the AAA in allocating new aid and developing new programs.

In order to implement the AAA principle of country ownership the Government of Korea actively contributes to the achievement of the MDGs in such countries as Tanzania, Uganda, and Madagascar through non-profit organization Millennium Promise co-founded by economist Jeffrey Sachs and philanthropist Raymond Chambers. As part of the Millennium Villages Project, Korea is carrying out a total of 5 projects in these 3 countries, and plans to provide USD10 million (from KOICA, Gyeongsangbuk-do, and UNWTO/ST-EP Foundation) for the projects by 2013.¹⁰⁵⁶

On 29 December 2009, the basic law on international development cooperation, a comprehensive law concerning Korea's international development cooperation, was passed during the plenary session of the National Assembly. The law prescribes the definition, purpose, and basic concepts of Korea's

Road [Detailed Design]) // The official website of Ministry of Foreign Affairs (Tokyo) 26.02.2010.

URL: http://www.mofa.go.jp/announce/announce/2010/2/0226_02.html. (date of access: 13.05. 2010).

¹⁰⁴⁹ Exchange of Notes for Environmental Program Grant Aid for the Republic of Burundi (The Project for Introduction of Clean Energy by Solar Electricity Generation System) // The official website of Ministry of Foreign Affairs (Tokyo) 18.01. 2010. URL: http://www.mofa.go.jp/announce/announce/2010/1/0118_01.html. (date of access: 13.05. 2010).

¹⁰⁵⁰ Exchange of Notes for Environmental Program Grant Aid for the Arab Republic of Egypt (The Project for Introduction of Clean Energy by Solar Electricity Generation System), Ministry of Foreign Affairs (Tokyo) 12.02.2010. URL: http://www.mofa.go.jp/announce/announce/2010/2/0212_01.html. (date of access: 13.05. 2010).

¹⁰⁵¹ Signing Ceremony for the Exchange of Notes for General Grant Aid for the Lao People's Democratic Republic// The official website of Ministry of Foreign Affairs (Tokyo) 4.02.2010. URL: http://www.mofa.go.jp/region/asia-paci/laos/en_grant1003.html. (date of access: 13.05. 2010).

¹⁰⁵² Exchange of Notes for General Project Grant Aid for the Democratic Republic of the Congo (le projet de réhabilitation de l'usine de traitement des'eaux de Ngaliema dans la ville de Kinshasa en République Démocratique du Congo and le projet d'extension de l'usine de traitement des'eaux de Ngaliema dans la ville de Kinshasa [le Concept Détaillé]) // The official website of Ministry of Foreign Affairs (Tokyo) 16.02.2010.

URL: http://www.mofa.go.jp/announce/announce/2010/2/0216_01.html. (date of access: 13.05. 2010).

¹⁰⁵³ Exchange of Notes for Grant Aid for the Republic of Djibouti (the Project for Construction and Provision of the Training Facility for Basic Education Teachers) // The official website of Ministry of Foreign Affairs (Tokyo) 12.02.2010. (date of access: 13.05. 2010. URL: http://www.mofa.go.jp/announce/announce/2010/2/0212_02.html.

¹⁰⁵⁴ Exchange of Notes for Grant Aid (Food Aid) for the Democratic Republic of Sao Tome and Principe, Ministry of Foreign Affairs (Tokyo) 16.02.2010. URL: http://www.mofa.go.jp/announce/announce/2010/1/0115_01.html. (date of access: 15.01. 2010).

¹⁰⁵⁵ Official Announcement of Japan's Official Development Assistance (ODA) White Paper 2009// The official website of Ministry of Foreign Affairs (Tokyo) 16.02.2010. URL: http://www.mofa.go.jp/announce/announce/2010/3/0309_01.html. (date of access: 13.05. 2010).

¹⁰⁵⁶ News// The official website of Ministry of Foreign Affairs and Trade of the Republic of Korea. URL: <http://www.odakorea.go.kr/eng/news/News/List.php?page=1&searchType=&searchValue=>(date of access: 10.06.2010)

international development cooperation. It also contains provisions on operating the Committee for International Development Cooperation, chaired by the Prime Minister, and designating a coordinating agency in order to make Korea's dual aid system of grants and concessional loans more comprehensive and systematic. The enactment of the basic law on international development cooperation provides a comprehensive legal basis in addressing the inefficiency and fragmentation of Korea's ODA system, in which about 30 agencies handle ODA matters individually. Therefore, the law is expected to contribute to enhancing consistency and efficiency of Korea's aid policy. Also, the enactment of the basic law on international development cooperation, together with Korea's accession to the OECD Development Assistance Committee (DAC) in November 2009, will provide momentum to improve Korea's ODA system. The law enters into force six months after the date of its promulgation, and the government will prepare a presidential decree on the law in the first half of 2010.¹⁰⁵⁷

As a result Republic of Korea is awarded a score of 0 for implementation of two parts of the commitment.

Analyst: Alexander Simonov

Mexico: 0

The Government of Mexico has not fully complied with the G20 commitment on aid effectiveness, having implemented only one of three key principles of the AAA.

On 22-23 February 2010, at the summit of the Latin American and Caribbean countries, countries-participants including Mexico signed the Cancun declaration. The part of the declaration relates to natural disasters invokes to build mechanisms that on a regional level allow "to take quick, adequate and co-ordinated measurements for overcoming their consequences".¹⁰⁵⁸

Thus, Mexican Government has partially complied with this commitment and is awarded a score of 0.

Analyst: Natalia Zlokazova

Russia: 0

Russia has partially complied with the commitment to implement the Paris Declaration and the Accra Agenda for Action (AAA) to ensure development effectiveness, having implemented two of three core principles outlined in AAA.

The Russian Government has adopted a series of joint declarations with the Government of Mongolia during the official visit of Russian President Dmitry Medvedev to Ulan-Bator on 25-26 August 2009. The documents aim to develop a strategic partnership between Russia and Mongolia and develop private and public sectors of Mongolian economy. The Agreement between the Government of the Russian Federation and the Government of Mongolia on the creation of the Dornod Uran limited liability company, and the memorandum on cooperation between the joint-stock company Ulan-Bator Railways, the joint-stock company Russian Railways, and the closed joint-stock company Transmashholding, will contribute to the further development of this partnership.¹⁰⁵⁹

On 17 February 2010 Russia and the World Bank signed two agreements that expand Russia's role as a regional donor to Eastern European and Central Asian countries. One is a program to increase excellence in effective public financial management, including through a center to deliver professional training to specialists throughout the region. According to Russian Minister of Finance "the program is planned for five years, and Russia will allocate USD30 million, including USD4 million in 2010". The

¹⁰⁵⁷ News// The official website of Ministry of Foreign Affairs and Trade of the Republic of Korea. URL:

[http://www.odakorea.go.kr/eng/news/News/List.php?page=1&searchType=&searchValue=\(date of access: 10.06.2010\)](http://www.odakorea.go.kr/eng/news/News/List.php?page=1&searchType=&searchValue=(date of access: 10.06.2010))

¹⁰⁵⁸ Zibechi R. El bloque latinoamericano y caribeño// The official website of Polpred. 26.02.2010 URL:

<http://www.jornada.unam.mx/2010/02/26/index.php?section=opinion&article=020a1pol> (date of access: 10.02.2010)

¹⁰⁵⁹ Official visit of Russian President D. Medvedev to Ulan-Bator// The official website of The Ministry of Foreign Affairs of the Russian Federation 25 .08. 2009. URL:

[www.in.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/abaaa9de0ffef893c325761d0046f13e/\\$FILE/25.08.2009.doc](http://www.in.mid.ru/bl.nsf/78b919b523f2fa20c3256fa3003e9536/abaaa9de0ffef893c325761d0046f13e/$FILE/25.08.2009.doc) (date of access: 4.12. 2009).

second agreement commits Russia and the World Bank to expanding current regional cooperation for low-income countries, focusing on the quality of education and food security, as well as health, infectious disease control, access to energy, and agriculture.¹⁰⁶⁰

To implement the second core principle of AAA to build more effective and inclusive partnerships the Russian Federation has undertaken the following steps.

On 27 November 2009, Minister of Russian Federation Alexei Kudrin declared that Russia would allocate 10 per cent of its general contribution (USD750 million) to the Anti-Crisis fund of the Eurasian Economic Community (EAEC), which was established at the initiative of Russia to resist economic recession in EAEC countries in February 2009. This will help to engage developing countries, such as Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to work in inclusive partnership to reduce poverty.¹⁰⁶¹

The Deputy Minister of Foreign Affairs Alexei Borodavkin headed the Russian delegation, which participated in the regional conference on friendship and cooperation in the Heart of Asia which took place in Istanbul on 26 January 2010. It was also attended by the Presidents of Turkey, Afghanistan, Pakistan, the First Vice President of Iran, and high-ranking officials from other states and organizations playing an important role in Afghan settlement. The conference again demonstrated the strong resolve of the world community to assist the revival of Afghanistan as a peaceful, stable, independent and economically prosperous state.¹⁰⁶²

On 17 February 2008 Minister of Civil Defence, Emergencies and Disaster Relief Sergei Shoigu took part in the conference on establishing regional humanitarian centre for emergencies in the Balkans as a basis for coordination mechanism for all countries of the Southern and Eastern Europe. Shoigu underlined that Russia would provide new technologies as contribution into establishment of the center.¹⁰⁶³

To implement the Economic Development Strategy of the Commonwealth of Independent States for the period to 2020 the CIS Executive Committee, Russia's Ministry of Economic Development and the Business Center for CIS Economic Development held an International Economic Forum entitled "New Initiatives in the Year of Russia's Chairmanship in the CIS", which took place on 5 March 2010 in Moscow. The aim of the Forum is to assist in carrying out the CIS Economic Development Strategy; innovative development and economic integration; and the search for and identification of promising projects.¹⁰⁶⁴

On March 23 the Permanent Mission of the Russian Federation to the International Organizations in Vienna headed by Alexander Zmeyerovskiy was the venue of signing the project documentation for the establishment of UNIDO investment and technology promotion networks in the EurAsEC member states and Armenia. The project aims to complement the efforts of the EurAsEC member states on

¹⁰⁶⁰ World Bank Group President Robert B. Zoellick Visited Russia upon the Invitation of the Government - Feb 18, 2010, // The official website of World Bank 17.02.2010. URL: <http://go.worldbank.org/F2ZTSBPB60>. (date of access: 12.05. 2010)

¹⁰⁶¹ Russia will allocate USD750 million to the Anti-crisis fund of the Eurasian Economic Community until the end of the year// The official website of Prime-Tass Business News Agency 27.11. 2009. URL: www.prime-tass.ru/news/0/per cent7B5F50A1D9-022B-407A-97CB-77B27B21EFB4 per cent7D.uif (date of access: 4.12. 2009).

¹⁰⁶² Regional Conference on Friendship and Cooperation in the Heart of Asia// The official website of the Ministry of Foreign Affairs of the Russian Federation 26.01. 2010). URL: http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/145f2bbb5f27be38c32576b80058746b. (date of access: 12.05. 2010).

¹⁰⁶³ Russia would provide new technologies as its contribution into establishment of the regional humanitarian centre for emergencies in Balkans// The official website of the Russian Federation, 17.02.2010. URL: <http://www.mchs.gov.ru/news/detail.php?ID=30397> (date of access: 12.05. 2010).

¹⁰⁶⁴ Briefing by Russian MFA Spokesman Andrei Nesterenko// The official website of the Ministry of International Affairs of the Russian Federation 4.03.2010. URL: http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/ca3323ddb0f4c597c32576df0026eea1 (date of access: 12.05. 2010).

coordination and implementation of joint investment programs, as well as creation of modern industrial infrastructure, designed to address innovation tasks.¹⁰⁶⁵

The measures of the Russian Government to implement the third core principle of AAA on achieving and accounting for development results were not sufficient to comply with a commitment. However some steps to comply with this part of commitment were made.

At present the Russian Ministry of Finance is engaged in implementing a joint project with the World Bank and UK Department for International Development (DFID) “Russia as a Donor Initiative” (RDI), which aims at strengthening Russia’s capacity of managing official development assistance. The program also includes strengthening statistics and reporting of Russia’s development aid, assistance to Government agencies in organization of aid projects monitoring, efficiency and impact evaluation.¹⁰⁶⁶ Within the framework of the program a conference “New Partnerships in Global Development Finance” was held in Moscow on 17-18 February 2010. The conference aimed at sharing development knowledge, experiences and best practices and focused on development finance.¹⁰⁶⁷

On 17 February 2010 during the meeting held within the conference on “New partnerships in global development finance” held in Moscow on 17-18 February 2010, the Deputy Minister of Foreign Affairs of the Russian Federation Alexander Yakovenko and OECD Development Assistance Committee Chair Eckhard Deutscher expressed their mutual interest in promoting and deepening bilateral cooperation, particularly with respect to improving the statistical accounting of development assistance.¹⁰⁶⁸

Russia has met two of the three core principles outlined in the AAA: the principle of country ownership and the principle of building more effective and inclusive partnerships, but has failed to implement the principle of achieving and accounting for development results. Thus Russia is awarded a score of 0.

Analyst: Yuriy Zaytsev

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment on aid effectiveness. The Government of Saudi Arabia has implemented the second principle of the AAA on effective and inclusive partnerships building.

On 4-5 December 2010, the Council of Saudi Chambers in partnership with the Gulf Research Center plan to hold in Riyadh the second annual Gulf-Africa Forum entitled “Gulf Africa Forum 2010”, bringing together key leaders and personalities from business, academia, government and media to outline the main issues and challenges facing more constructive relations between the key regions of Africa and the Gulf.¹⁰⁶⁹

Thus, Saudi Arabia has partially complied with this commitment and is awarded a score of 0.

Analyst: Maria Datsik

¹⁰⁶⁵ Russian Voluntary Contribution to the UNIDO Industrial Development Fund: Project Documentation Signed// The official website of the Ministry of the Foreign Affairs of the Russian Federation 25 March, 2010. (date of access: 12.05. 2010. URL: http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/5bd1c9d072cba10fc32576f2004df7c1

¹⁰⁶⁶ Russia Cares: the First Session of World Bank - DFID Program Advisory Council “Russia as a Donor Initiative (RDI)” // The official website of World Bank 14.05. 2009. URL: <http://go.worldbank.org/O3TNN7YRR0>(date of access: 9.02.2009).

¹⁰⁶⁷ A conference “New partnerships for development finance”. (date of access: 9.02.2009. URL: www.mgdf.ru/eng/about

¹⁰⁶⁸ Deputy Minister of Foreign Affairs Alexander Yakovenko Meets with Eckhard Deutscher, Chair of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) // The official website of the official web site of the Ministry of Foreign Affairs of the Russian Federation 17 February, 2010. URL: http://www.ln.mid.ru/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/5395780d63cbe4c4c32576ce002bec18?OpenDocument (date of access: 11.05. 2010).

¹⁰⁶⁹ Gulf-Africa Forum 2010 // The official website of Council of Saudi Chambers. URL: http://www.saudichambers.org.sa/2_15775_ENU_HTML.htm (date of access: 24.04.2010).

South Africa: 0

The Government of the Republic of South Africa has partially complied with its G20 commitment on aid effectiveness, having implemented only two core principles of the AAA.

During the period of 2-5 June 2010 the President Jacob Zuma is going to pay a State Visit to India. The objective of the visit is to deepen the strategic partnership between South Africa and India; expand South-South interaction with a view to strengthen the voice of the developing world and its capacity to address the needs of its people, and to demonstrate appreciation for the importance South Africa attaches to its political, economic and cultural relationship with India. During the visit three Agreements are expected to be signed: 1) a Memorandum of Understanding on Agricultural Cooperation; 2) an amended Bilateral Air Services Agreement; 3) a Memorandum on Mutual Cooperation between the Diplomatic Academy of the South African Department of International Relations and Cooperation and the Foreign Service Institute of the Ministry of External Affairs of India.¹⁰⁷⁰ This action constitutes implementation of the AAA principle of country ownership.

On 4-7 May, 2010 the Department of International Relations and Cooperation (the DIRCO) in partnership with the International Committee of the Red Cross (ICRC) hosted the Tenth Annual Seminar on International Humanitarian Law. This was an annual event and featured high profile Speakers and involved approximately 30 delegates from various SADC countries as well as further representatives from line-function departments.¹⁰⁷¹ Thus, the action corresponds with a principle of effective and inclusive partnerships building.

The Republic of South Africa is awarded a score of 0 for partial compliance with this commitment.

Analyst: Yuriy Zaytsev

Turkey: -1

Turkey has failed to comply with its commitment to reform aid allocation, partially complying with all three principles of the AAA in allocating new aid and developing new programs.

During the monitoring period no actions were undertaken by Turkey to comply with the G20 commitment on aid effectiveness. Thus, Turkey is awarded a score of -1.

Analyst: Anvarjon Sultanov

United Kingdom: +1

The United Kingdom has fully complied with its commitments regarding the Accra Agenda for Action for aid effectiveness.

On 30 September 2009, the Department for International Development (DFID) Regional Director in charge of North East Asia, Sue Wardell, pledged GBP20 million the Vietnamese Poverty Reduction Support Credit (PRSC) and GBP17 million toward School Education Quality Assurance Programme (SEQAP) in Vietnam. The PRSC credit will be transferred directly to the Government's budget, allowing the government to use the funds as efficiently as possible.¹⁰⁷² This falls within the framework of AAA principle 8.

On 2 October 2009, DFID announced a partnership with British NGO Comic Relief to launch The Common Ground Initiative, a programme designed to stimulate economic growth in Africa through for

¹⁰⁷⁰ President Zuma to undertake State Visit to India// The official website of Department for International Relations and Cooperation of the Republic of South Africa. 31.05.2010. URL: <http://www.dirco.gov.za/docs/2010/indi0531.html> (date of access: 31.05. 2010).

¹⁰⁷¹ Tenth Annual Regional Seminar on the Implementation of International Humanitarian Law, 4-7.05. 2010// The official website of Department for International Relations and Cooperation of the Republic of South Africa. 22.04.2010. URL: http://www.dirco.gov.za/docs/2010/humanitarian_law0422.html (date of access: 31.05. 2010).

¹⁰⁷² £37 million support for poverty reduction and quality schooling, DFID (London) 30.09.2009. (date of access: 12.12. 2009. www.dfid.gov.uk/Media-Room/News-Stories/2009/37-million-Support-for-Poverty-Reduction-and/

small and Diaspora organizations. The fund is valued at GBP20 million, and is in cohesion with AAA principle 9.¹⁰⁷³ As well, on 5 October 2009, DFID announced that, as part of a greater GBP39 million aid program to the Horn of Africa, GBP5 million would be entrusted to UNICEF and other organizations.¹⁰⁷⁴ Further, on 3 December 2009, DFID announced that GBP 50 million would be set aside in 2010- 11 and given to NGOs in order to pursue development goals.¹⁰⁷⁵

On 11 December 2009, DFID and the British High Commission published a brochure entitled “Towards a Better Future: Working With Kenya to Tackle Corruption.” Within the document, the British Government states that it will “improving accountability by working with other donors to support the Kenyan Government’s public financial management and public sector reforms,”¹⁰⁷⁶ and to “increasing transparency of government spending. . . by providing support to Parliament.”¹⁰⁷⁷ This initiative constitutes fruition of the AAA recommendation 10.

On 1 March 2010, the United Kingdom pledged \$20 million to address Ethiopia’s food crisis building upon their previous donation of \$200 million in January.¹⁰⁷⁸ The UN World Food Programme will use these new funds to provide needed support in the country.¹⁰⁷⁹ Also on 1 March 2010, the United Kingdom donated £250,000 to the Red Cross for use in Chile in the wake of February’s earthquake.¹⁰⁸⁰ In both instances, the UK government will work in cooperation with other organizations to assist the respective recipients.¹⁰⁸¹¹⁰⁸² These donations conform to article 9 of the AAA.

On 8 March 2010, International Development Secretary Douglas Alexander announced that the United Kingdom would be supporting people affected by conflict in Pakistan.¹⁰⁸³ The aid package will support reconstruction efforts by the international community and the Pakistani government focusing on

¹⁰⁷³ Comic Relief launches a new GBP20 million fund// The official website of DFID (London) 2.10.2009. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2009/Comic-Relief-launches-a-new-20-million-fund/> (date of access: 12.12.2009).

¹⁰⁷⁴ £39m funding to prevent humanitarian disaster in Africa// The official website of DFID (London) 5.10.2009. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2009/UK-announces-39m-emergency-funding-to-help-prevent-a-humanitarian-disaster-in-the-Horn-of-Africa/> (Date of Access: 12.12. 2009).

¹⁰⁷⁵ Extra support to civil society organizations// The official website of DFID (London) 3.12. 2009. (date of access: 12 December 2009. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2009/Extra-support-to-civil-society-organizations/>

¹⁰⁷⁶ Towards a better future: working with Kenya to tackle corruption// The official website of DFID (London) 11.12. 2009. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2009/Towards-a-better-future-working-with-Kenya-to-tackle-corruption/> (date of access: 12.12. 2009).

¹⁰⁷⁷ Towards a better future: working with Kenya to tackle corruption// The official website of DFID (London) 11.12. 2009. URL: <http://www.dfid.gov.uk/Media-Room/News-Stories/2009/Towards-a-better-future-working-with-Kenya-to-tackle-corruption/> (date of access: 12.12. 2009).

¹⁰⁷⁸ UK provides emergency funding for Ethiopia// The official website of DFID (London) 1.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-provides-20-million-emergency-funding-for-Ethiopia/> (date of access: 15.05. 2010).

¹⁰⁷⁹ UK provides emergency funding for Ethiopia// The official website of DFID (London) 1.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-provides-20-million-emergency-funding-for-Ethiopia/>. (date of access: 15.05. 2010).

¹⁰⁸⁰ UK support for Red Cross following Chilean earthquake// The official website of DFID (London) 1.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-support-for-Red-Cross-following-Chilean-earthquake/> (date of access: 15.05. 2010).

¹⁰⁸¹ UK support for Red Cross following Chilean earthquake// The official website of DFID (London) 1.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-support-for-Red-Cross-following-Chilean-earthquake/>. (date of access: 15.05. 2010).

¹⁰⁸² UK provides emergency funding for Ethiopia// The official website of DFID (London) 1.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-provides-20-million-emergency-funding-for-Ethiopia/> (date of access: 15.05. 2010).

¹⁰⁸³ UK helps rebuild Pakistan’s conflict affected areas// The official website of DFID (London) 8.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-to-help-rebuild-Pakistans-conflict-affected-border-areas/> (date of access: 15.05. 2010).

temporary bridges, schools and food aid.¹⁰⁸⁴ The United Kingdom is using this donation to fulfill Pakistan's needs as the government works in the NWFP and FATA regions. This donation conforms to article 8 and 9 of the AAA.

On 10 March 2010, the United Kingdom announced the creation of The Business Innovation Facility.¹⁰⁸⁵ This new facility will be supporting businesses in developing countries and is already working in countries such as India, Zambia, Malawi and Bangladesh providing information to create more jobs and a stronger economy.¹⁰⁸⁶ Because of knowledge transfer brought through this organization, 2,600 distribution businesses have already been established and are generating \$500 million in revenue.¹⁰⁸⁷ The creation of this new facility and its successes conform to article 10 of the AAA for accountability of development initiatives.

Because the United Kingdom has implemented all of the aspects outlined in the Accra Agenda for Action, they are receiving a score of +1 for this compliance cycle.

Analyst: Salahuddin Raffiquddin

United States: 0

The United States has partially complied with the commitment to implement the Accra Agenda for Action (AAA).

On 28 September 2009, the United States put forward a consultative document outlining the government's aid strategy. The document states that "the principles established at L'Aquila will be the same principles that guide this strategy."¹⁰⁸⁸ The strategy calls for: "supporting country-led plans," thus satisfying principle 8 of the AAA; "coordination between and within individual governments, international institutions, and nongovernmental actors,"¹⁰⁸⁹ thus satisfying principle 9 of the AAA report; and "[increasing] the coordination and accountability of our investments,"¹⁰⁹⁰ thus satisfying principle 10 of the AAA report. However, the declaration of the policy does not constitute compliance, as it does not represent a practical application of the AAA principles.

The first actualization of the policy was announced also on 28 September 2009.¹⁰⁹¹ The state department announced that the U.S. Agency for International Development (USAID) and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) would partner with General Mills, an American food company, in order to increase the production of food businesses in sub-Saharan Africa. The State Department declared that the program "could potentially reach a value of USD21 million, will also benefit an estimated 1.6 million smallholder farmers who supply these businesses."¹⁰⁹² This

¹⁰⁸⁴ UK helps rebuild Pakistan's conflict affected areas// The official website of DFID (London) 8.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/UK-to-help-rebuild-Pakistans-conflict-affected-border-areas/>. (date of access: 15.05. 2010).

¹⁰⁸⁵ Support for businesses in developing countries// The official website of (DFID) (London) 10.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Support-for-businesses-in-developing-countries/> (date of access: 15.05. 2010).

¹⁰⁸⁶ Support for businesses in developing countries// The official website of (DFID) (London) 10.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Support-for-businesses-in-developing-countries/> (date of access: 15.05. 2010).

¹⁰⁸⁷ Support for businesses in developing countries// The official website of (DFID) (London) 10.02.2010. URL: <http://webarchive.nationalarchives.gov.uk/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Support-for-businesses-in-developing-countries/> (date of access: 15.05. 2010).

¹⁰⁸⁸ Global Hunger and Food Security Initiative: Consultation Document// The official website of US Department of State (Washington) 28.09.2009. URL: www.state.gov/s/globalfoodsecurity/129952.htm. (date of access: 12.12. 2009).

¹⁰⁸⁹ Global Hunger and Food Security Initiative: Consultation Document// The official website of US Department of State (Washington) 28.09.2009. URL: www.state.gov/s/globalfoodsecurity/129952.htm. (date of access: 12.12. 2009).

¹⁰⁹⁰ Global Hunger and Food Security Initiative: Consultation Document// The official website of US Department of State (Washington) 28.09.2009. URL: www.state.gov/s/globalfoodsecurity/129952.htm. (date of access: 12.12. 2009).

¹⁰⁹¹ Public-Private Partnership to Improve Food Processing in Africa// The official website of US Department of State (Washington) 28.09.2009. URL: www.pepfar.gov/documents/organization/129901.pdf. (date of access: 12.12. 2009).

¹⁰⁹² Public-Private Partnership to Improve Food Processing in Africa// The official website of US Department of State

proposal clearly falls within the auspices of the 9th AAA principle. However, principles 8 and 10 have not been addressed through this programme.

On 2 October 2009, the State Department issued a document reiterating goals made at the 2009 L'Aquila Summit. The United States government stated that it would work with “other governments, multinational institutions, NGOs, private companies, and the poor themselves,”¹⁰⁹³ as well as supporting “country-led plans [which] enable countries to identify their own solutions, increase the sustainability of investments, and strengthen local, regional and global coordination.”¹⁰⁹⁴

On 2 March 2010, Secretary of State, Hilary Clinton pledged to support Chile with helicopters, water purification units and portable kitchens in the wake of the 27 February 2010 earthquake.¹⁰⁹⁵ The United States has pledged to continue aid as Chile's needs grow and are dictated by the Chilean administration. This conforms to articles 8 and 9 of the AAA. There is no evidence that article 10 has been addressed.

In the wake of the recent earthquake in Haiti, PEPFAR has been working closely with Haitian government officials and other NGO's to ensure aid for HIV/AIDS and Tuberculosis suffers is delivered.¹⁰⁹⁶ The United States government is working closely with Haitians to ensure the needs of this demographic are addressed in the wake of the earthquake. PEPFAR's activity in this crisis adheres to principles 8 and 9 of the AAA.

Thus, for partially complying to the commitment by realizing two of the three core principles of the AAA, the United States has been awarded a score of 0.

Analyst: Salahuddin Raffiquddin

European Union: +1

The European Union has fully complied with its commitment to improve aid effectiveness.

On 10 September 2009, the European Commission proposed an aid strategy for helping developing countries to deal with climate change. One of the principal sources of finance for this system will be “domestic finance (public and private) in developing countries.” This would be in compliance with the 9th principal of the AAA. At this point, however, the proposal remains only a blueprint, and a potential source of action. Therefore, it cannot be considered practical compliance.¹⁰⁹⁷

On 2 December 2009, the first Assises of Decentralised Cooperation was co-hosted by the Committee of Regions and the European Commission. The debates at the conference focused on: local and regional authorities for greater aid effectiveness; local and regional governance; access to energy for sustainable development; and contribution of local and regional authorities towards the Millennium Development Goals.¹⁰⁹⁸ These debates are in line with all three key principals of the AAA. However, no new programs or funding emerged from the debates.

(Washington) 28.09.2009. URL: www.pepfar.gov/documents/organization/129901.pdf. (date of access: 12.12. 2009).

¹⁰⁹³ Global Hunger and Food Security// The official website of US Department of State (Washington) 2.10.2009. URL: www.state.gov/r/pa/scp/fs/2009/129552.htm. (date of access: 12.12. 2009).

¹⁰⁹⁴ Global Hunger and Food Security// The official website of US Department of State (Washington) 2.10.2009. URL: www.state.gov/r/pa/scp/fs/2009/129552.htm. (date of access: 12.12. 2009).

¹⁰⁹⁵ Remarks With Chilean President Michelle Bachelet// The official website of US Department of State (Washington) 2.02.2010. URL: <http://www.state.gov/secretary/rm/2010/03/137555.htm>. (date of access: 17.04.2007).

¹⁰⁹⁶ U.S. Health Partners Play Key Role in Haiti Earthquake Response// The official website of US Department of State (Washington) 25.02.2010. URL: http://blogs.state.gov/index.php/site/entry/pepfar_haiti. (date of access: 16.04.2010).

¹⁰⁹⁷ Questions and Answers on the Communication Stepping up international climate finance: A European blueprint for the Copenhagen deal, Europa (Brussels) 10.09.2009. URL: www.europa.eu/rapid/pressReleasesAction.do?reference=MEMO/09/384&format=HTML&aged=0&language=EN&guiLanguage=en. (date of access: 12.12. 2009).

¹⁰⁹⁸ Local and regional authorities: fully fledged actors in EU development policy, European Commission (Brussels) 2.12. 2009. URL: www.ec.europa.eu/development/icenter/featured_20091202_en.cfm. (date of access: 12.12. 2009).

On 4 March 2010, the EU Commission on Development published a report outlining the results of funding for transit provided over the course of 2009.¹⁰⁹⁹ Although the announcement carried no new funding pledges, it does constitute compliance with core principle 10 of the AAA.

On 18 March 2010, the EU announced a partnership between the European Investment Bank (EIB) and the Development Bank of Southern Africa (DBSA) with the intent to improve infrastructure development in Africa. The partnership will address “the need for national and local infrastructure agencies to be able to prepare and implement high quality and viable projects capable of gaining public and private financial support.”¹¹⁰⁰ This partnership constitutes compliance with principle 8 of the AAA. Given, however, the wholly public natures of the partnered institutions, the agreement does not constitute compliance under principle 9.

On 19 March 2010, the European Commission and the African Caribbean Pacific (ACP) group concluded the second Cotonou Partnership Agreement, the intent of which is to address poverty in ACP states. The second revision of the agreement provides greater involvement for “national parliaments, local authorities, civil society and [the] private sector,” as well as incorporating “internationally agreed aid effectiveness principles, in particular donor coordination.”¹¹⁰¹ These pledges address AAA principles 8 and 10 respectively.

Thus, the EU has been awarded a score of +1 for its full compliance with the three core principles of the AAA and Paris Declaration.

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¹⁰⁹⁹ New regional roads, ports, airports and power generation schemes in Africa: examples of the 11 new projects funded by the EU Africa Infrastructure Trust Fund in 2009, Europa (Brussels) 4.02.2010. URL: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/233&format=HTML&aged=0&language=EN>. (date of access: 13.05. 2010).

¹¹⁰⁰ European Investment Bank and Development Bank of Southern Africa to fund programme to improve infrastructure project preparation and implementation, Europa (Brussels) 18.02.2010. URL: <http://europa.eu/rapid/pressReleasesAction.do?reference=BEI/10/43&format=HTML&aged=0&language=EN&guiLanguage=en>. (date of access: 13.05. 2010).

¹¹⁰¹ Renewed impetus in the fight against poverty: the EU and ACP states initial the revised Cotonou Partnership Agreement, Europa (Brussels) 19.02.2010. URL: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/327&format=HTML&aged=0&language=EN&guiLanguage=en>. (date of access: 13.05. 2010).