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## The **G20 Research Group**

at Trinity College at the Munk School of Global Affairs in the University of Toronto with the

#### **International Organisation Research Institute**

at the National Research University Higher School of Economics, Moscow

present

# 2012 Los Cabos G20 Summit Final Compliance Report

20 June 2012 to 30 July 2013

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### Contents

Preface	3
Introduction and Summary	
Table 1: 2012 Los Cabos Summit Selected Priority Commitments	7
Table 2: 2012 Los Cabos Final Compliance Scores	9
Table 3: 2012 G20 Los Cabos Summit Final Compliance Rank by Country	10
Table 4: 2012 G20 Los Cabos Summit Final Compliance Rank by Commitment	10
Table 5: G20 Compliance by Member, 2008-2013.	11
Appendix: General Considerations	13
1. Macroeconomic: Exchange Rates	15
2. Macroeconomic: Fiscal Consolidation and Stimulation of Growth	
3. Macroeconomic: Emerging Market Growth	68
4. Trade	
5. Crime and Corruption	
6. Finance: Basel Capital and Liquidity Framework	250
7. Finance: Over-the-Counter Derivatives	337
8. Finance: Systemically Important Financial Institutions	367
9. Food and Agriculture: Sustainable Agriculture	393
10. Climate Change	428
11. Energy: Fossil Fuel Subsidies	
12. Socioeconomic: Social and Economic Opportunities for Women	527
13. Employment: Combating Unemployment	
14. Investment: Business Environment for Investors	
15. Development: Infrastructure Investment	628
16. Development: Social Protection Floors	
17. Development: Inclusive Green Growth	694

#### **Preface**

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

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

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

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

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

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#### **Introduction and Summary**

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

#### **Methodology and Scoring System**

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

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

#### **Commitment Breakdown**

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

#### **Selection of Commitments**

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

<sup>&</sup>lt;sup>1</sup> The formula to convert a score into a percentage is P=50×(S+1), where P is the percentage and S is the score.

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

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

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

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

#### The Final Compliance Scores

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

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

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

#### Compliance by Member

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

#### The Compliance Gap Between Members

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

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

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

#### **Compliance by Commitment**

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

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

**Table 1: 2012 Los Cabos Summit Selected Priority Commitments** 

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

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

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

**Table 2: 2012 Los Cabos Final Compliance Scores** 

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

n/a = not applicable Overall Compliance Score: +0.57 (78.5%)

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

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

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

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

Table 5: G20 Compliance by Member, 2008-2013

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

#### **Considerations and Limitations**

Several elements affect the findings contained in this report.

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

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

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

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

See also Appendix: General Considerations.

#### **Conclusions**

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

#### **Future Research and Reports**

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

#### **Appendix: General Considerations**

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

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

- 10. Because the evaluative scale used in this compliance report runs from -1 to +1, any score in the positive range represents at least some degree of compliance.
- 11. These scores represent compliance only with commitments made at the G20 summit and do not indicate whether commitments made elsewhere are complied with to a higher or lower degree than those made at the G20 summit.
- 12. In some cases, full compliance by all members of the G20 with a commitment is contingent on cooperative behaviour on the part of other actors.