

# **2003 Evian Final Compliance Report May 31, 2004**

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## Overview

In February 2004, the University of Toronto G8 Research Group completed its second interim Compliance Report based on the compliance results of the Evian Summit from June 2003 to January 2004. The University of Toronto G8 Research Group has now made available the final Compliance Report, based on analytic results from the interim report until two weeks prior to the 2004 Sea Island G8 Summit in the United States. A summary of the final compliance scores is listed in the table A with an individual analytic assessment by country and issue area below.

Care should be given in interpreting the comparative results of the interim versus the final compliance reports as only the Kananaskis compliance study from 2002/03 provides comparable comparative data on how much compliance comes during the first six months following a summit. The focus of the compliance reports prior to Kananaskis are based on an assessment of the compliance scores for the full year prior to the subsequent summit taking place. In addition, data limitations, particularly for the European Union, means that although some compliance information for the EU is available in this report, overall compliance scores are calculated across the eight G8 members and do not take into account scores for the EU.

Since the conclusion of the Evian Summit in June 2003, the G7/G8 have complied with their priority commitments made across 12<sup>1</sup> major issue areas 51% of the time; a marginal increase of 4% from the interim compliance results (see Tables A & B). This average is based on a scale whereby 100% equals perfect compliance and -100% means that the member governments are either non-compliant or are in fact doing the opposite of what they committed to.<sup>2</sup>

Compliance scores following the Evian Summit varied widely by issue area, with commitments focused on international terrorism and weapons of mass destruction scoring perfect compliance scores across all Summit countries. These findings are consistent with the interim results where both of these issue areas scored perfect marks. Compliance scores were also high in the areas of Development (ODA) and Health (AIDS), both tied at 88%. Having scored a perfect score in the interim compliance report, ICT drops to tie the Summit's Energy commitment at 75%. While commitments in the area of Transport Security have increased significantly since the interim result (from 38% to 63%), commitments regarding the Environment (Marine), Debt (HIPC), and the World Economy all scored below the overall compliance average (50%, 38% and 25% respectively). Of the 12 issue areas assessed, two scores fell within the negative range: Trade (MTN) at -38% and Crime (Terrorist Financing) at -50%. Although trade has remained in the negative range since the interim report, the most significant variation between the interim and final scores has been with respect to terrorist financing, with the score dropping from 25% to -50%. These negative scores indicate that not only did the leaders not act to fulfill their priority commitments in these issue areas in the post-Evian period, they actually did the opposite of what they committed to in their final communiqué.

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<sup>1</sup> These include World Economy/Growth; ICT; Trade (MTN); Development (ODA); Debt (HIPC); Environment (Marine); Health (AIDS); Crime (Terrorist Financing); Terrorism (CTAG); Transport Security; Weapons of Mass Destruction (WMD); and Energy.

<sup>2</sup> For a complete compliance methodological explanation, please visit the University of Toronto G8 web site at: [www.g8.utoronto.ca/g7/evaluations/methodology/g7c2.htm](http://www.g8.utoronto.ca/g7/evaluations/methodology/g7c2.htm).

We also find wide variation in compliance scores by country. Consistent with the interim results, the highest complying Summit member across the 12 priority issue areas was Canada, with a final compliance score of 83%; up by 25% since the interim report. France, Summit host, climbs from third place to second place in the final report with an overall compliance score of 75%; an increase also of 25% since the interim report. Tied for third place at 50% are the U.K., Germany and the U.S. — the next country in the hosting rotation. Japan's score remains unchanged since the interim report at 42%. Both Russia and Italy's scores drop from the interim report by a considerable margin to 33% and 25% respectively.

Although the final compliance scores in overall terms are slightly higher than the interim scores (51% versus 47%), these scores are notably higher than those of previous Summits including Kananaskis 2002 (35%), Genoa 2001 (49.5%), Cologne 1999 (39%), Birmingham 1998 (45%), Lyon 1996 (36%) and Denver 1997 (27%). Only in the post-Okinawa period in 2000 did the leaders perform better when their compliance scores hit an all time average high of 81.4% (see Table C).

### **Special Considerations**

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

- Compliance has been assessed against a selected set of priority commitments, rather than all commitments the last summit produced. The priority commitments selected were not randomly chosen but identified to produce a representative subset of the total according to such dimensions as issue areas, ambition, specified time for completion, instruments used and, more generally, the degree of precision, obligation and delegation of each.
- In addition to the specific commitments assessed here, summits have value in establishing new principles in normative directions, in creating and highlighting issue areas and agenda items, and in altering the publicly allowable discourse used. Furthermore, some of the most important decisions reached and consensus forged at summits may be done entirely in private and not encoded in the public communiqué record.
- Some commitments inherently take longer to be complied with than the time available between one summit and the next.
- In some cases, it may be wise not to comply with a summit commitment, if global conditions have dramatically changed since the commitment was made or if new knowledge has become available about how a particular problem can best be solved.
- As each of the member countries has its own constitutional, legal and institutional processes for undertaking action at the national level, each is free to act in particular cases on a distinctive national time scale. Of particular importance here is the annual cycle for the creation of budgets, legislative approval and the appropriation of funds.
- Commitments encoded in the G8 communiqué may also be encoded precisely or partially in communiqués from other international forums, the decisions of other international organizations, or even national statements such as the State of the Union Address in the U.S., the Queen's Speech in the UK and the Speech from the Throne in Canada. Without detailed

process-tracing, it cannot be assumed that compliant behaviour on the part of countries is fully caused by the single fact of a previous G8 commitment.

- Compliance here is assessed against the precise, particular commitments made by the G8, rather than what some might regard as necessary or appropriate action to solve the problem being addressed.
- With compliance assessed on a three-point scale, judgements inevitably arise about whether particular actions warrant the specific numerical value assigned. As individual members can sometimes take different actions to comply with the same commitment, no standardized cross-national evaluative criterion can always be used. Comments regarding the judgements in each case, detailed in the extensive accompanying notes, are welcome (see below).
- Because the evaluative scale used in this compliance report runs from –100 percent to +100 percent, it should be assumed that any score in the positive range represents at least some compliance with the specific commitments made by the G8. It is not known if commitments in other international forums or at the national level on occasions such as the State of the Union Address, Queen’s Speech or Speech from the Throne, etc., are complied with to a greater or lesser degree than the commitments made by the G8.
- It may be that commitments containing high degrees of precision, obligation and delegation, with short specified timetables for implementation, may induce governments to act simply to meet the specified commitment rather than in ways best designed to address core and underlying problems over a longer term.
- In some cases, full compliance by all members of the G8 with a commitment is contingent on co-operative behaviour on the part of other actors.

## **Feedback**

As with previous compliance reports, this report has been produced as an invitation for others to provide additional or more complete information on country compliance with the interim results released in January 2004. As always, comments are welcomed and would be considered as part of an analytical reassessment. Please send your feedback to [g8info@library.utoronto.ca](mailto:g8info@library.utoronto.ca).

**Table A: 2003 Evian Final Compliance Scores\***

	CDA	FRA	GER	ITA	JAP	RUS	UK	U.S.	Issue Average
World Economy/Growth	1	0	1	-1	0	0	0	1	<b>0.25</b>
ICT	1	1	1	1	1	0	0	1	<b>0.75</b>
Trade (MTN)	0	0	0	-1	0	-1	0	-1	<b>-0.38</b>
Development (ODA)	1	1	1	1	1	0	1	1	<b>0.88</b>
Debt (HIPC)	1	1	0	0	0	0	1	0	<b>0.38</b>
Environment (Marine)	1	1	0	0	0	1	1	0	<b>0.50</b>
Health (AIDS)	1	1	0	1	1	1	1	1	<b>0.88</b>
Crime (Terrorist financing)	1	1	-1	-1	-1	-1	-1	-1	<b>-0.50</b>
Terrorism (CTAG)	1	1	1	1	1	1	1	1	<b>1.00</b>
Transport Security	1	0	1	0	0	1	1	1	<b>0.63</b>
WMD	1	1	1	1	1	1	1	1	<b>1.00</b>
Energy	0	1	1	1	1	1	0	1	<b>0.75</b>
<b>Individual Country Average</b>	<b>0.83</b>	<b>0.75</b>	<b>0.50</b>	<b>0.25</b>	<b>0.42</b>	<b>0.33</b>	<b>0.50</b>	<b>0.50</b>	
<b>Issue Average</b>									<b>+0.51</b>
<b>Country Average</b>									<b>+0.51</b>
<b>Compliance Average</b>									<b>+0.51</b>

\*The average score by issue area is the average of all countries' compliance scores for that issue. The average score by country is the average of all issue area compliance scores for a given country. The overall compliance average is an average of the overall issue average and overall country average.

**Table B: 2003 Evian Interim Compliance Scores\***

	CDA	FRA	GER	ITA	JAP	RUS	UK	U.S.	Issue Average
World Economy/Growth	0	0	1	-1	0	0	0	1	<b>0.13</b>
ICT	1	1	1	1	1	1	1	1	<b>1.00</b>
Trade (MTN)	0	0	0	0	0	-1	0	-1	<b>-0.25</b>
Development (ODA)	1	1	1	1	1	0	1	1	<b>0.88</b>
Debt (HIPC)	0	0	0	0	0	0	0	0	<b>0.00</b>
Environment (Marine)	1	0	0	0	0	1	1	0	<b>0.38</b>
Health (AIDS)	1	1	0	1	1	1	1	1	<b>0.88</b>
Crime (Terrorist Financing)	1	1	0	0	0	0	0	0	<b>0.25</b>
Terrorism (CTAG)	1	1	1	1	1	1	1	1	<b>1.00</b>
Transport Security	0	0	0	0	0	1	1	1	<b>0.38</b>
Weapons of Mass Destruction (WMD)	1	1	1	1	1	1	1	1	<b>1.00</b>
Energy	0	0	0	0	0	0	0	0	<b>0.00</b>
<b>Individual Country Average</b>	<b>0.58</b>	<b>0.50</b>	<b>0.42</b>	<b>0.33</b>	<b>0.42</b>	<b>0.42</b>	<b>0.58</b>	<b>0.50</b>	
<b>Overall Issue Average</b>									<b>+0.47</b>
<b>Overall Country Average</b>									<b>+0.47</b>
<b>Overall Compliance Average</b>									<b>+0.47</b>

\*Scores here are assessed for the six month period between the conclusion of the Evian Summit (June 2003) to the handover of the Summit presidency to the United States (January 2004).

**Table C: G8 Compliance Assessments by Country, 1996–2004**

	1996 –97 <sup>a</sup>	1997 –98 <sup>b</sup>	1998 –99 <sup>c</sup>	1999– 00 <sup>d</sup>	2000 –01 <sup>e</sup>	2001 –02 <sup>f</sup>	2002 –03		2003 –04	
							Interim <sup>g</sup>	Final <sup>h</sup>	Interim <sup>i</sup>	Final
U.S.	0.42	0.34	0.6	0.50	0.67	0.35	0.25	0.36	0.50	0.50
UK	0.42	0.50	0.75	0.50	1.0	0.69	0.42	0.55	0.58	0.50
GER	0.58	0.17	0.25	0.17	1.0	0.59	0.08	0.18	0.42	0.50
JAP	0.21	0.50	0.2	0.67	0.82	0.44	0.10	0.18	0.42	0.42
ITA	0.16	0.50	0.67	0.34	0.89	0.57	0.00	–0.11	0.38	0.25
CDA	0.47	0.17	0.5	0.67	0.83	0.82	0.77	0.82	0.58	0.83
RUS	N/A	0	0.34	0.17	0.14	0.11	0.14	0.00	0.42	0.33
EU	N/A	N/A	N/A	0.17	N/A	N/A	N/A	N/A	N/A	N/A
Average	<b>0.36</b>	<b>0.27</b>	<b>0.45</b>	<b>0.39</b>	<b>0.80</b>	<b>0.53</b>	<b>0.27</b>	<b>0.33</b>	<b>0.47</b>	<b>0.51</b>

Notes: 1996–97: Lyon, France; 1997–98: Denver, U.S.; 1998–99, Birmingham, UK; 1999–2000, Cologne, Germany; 2000–01, Okinawa, Japan; 2001–02: Genoa, Italy; 2002–03, Kananaskis, Canada; 2003–04, Evian, France.

a Applies to 19 priority issues, embracing the economic, transnational and political security domains.

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

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

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

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

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

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

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

i Applies to the 12 priority issues, embracing economic, transnational and political security domains (WMD, transport security and terrorism).

# 2003 Evian Final Compliance Report World Economy and Growth

## Commitment

2003 — 5: “We reaffirm our commitment to strengthen investor confidence by improving corporate governance, enhancing market discipline and increasing transparency”.

## Background

Recent scandals involving large corporate entities have heightened concern over the accountability of both private and public firms. The G8 recognizes that effective regulation and transparent corporate governance practices are essential to the efficient functioning of capital markets and the fostering of economic growth. The Evian Summit resulted in the release of two documents that specifically address these concerns: *Fostering Growth and Promoting a Responsible Market Economy* and *Fighting Corruption and Improving Transparency: A G8 Action Plan*. French President Jacques Chirac, and the other G8 leaders, kept these documents in mind when they framed the above commitment in the macroeconomic growth section of the *Chair’s Summary*.

## Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France		0	
Germany			+1
Italy	-1		
Japan		0	
Russia		0	
United Kingdom		0	
United States			+1
Overall			+0.25

## Individual Country Compliance Breakdown:

### 1. Canada: +1

In June 2003 the Canadian government announced the creation of six Integrated Market Enforcement Teams (IMETs) composed of RCMP investigators, federal lawyers and investigative experts solely dedicated to capital markets fraud cases.<sup>3</sup> In early 2004 two IMETs were established in Toronto, with a third being launched in Vancouver. Nine IMETs will eventually be established at major financial centres across Canada, including Montreal and Calgary.<sup>4</sup> On 12 May 2004, for example, the Greater Toronto Area IMET arrested a former

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<sup>3</sup> Department of Justice Canada, “Government of Canada Announces New Measures to Deter Capital Markets Fraud,” 12 June 2003, Ottawa, May 2004 <canada.justice.gc.ca/en/news/nr/2003/doc\_30926.html>.

<sup>4</sup> Royal Canadian Mounted Police, “Federal and International Operations,” 15 March 2004, May 2004 <www.rcmp-grc.gc.ca/fio/imets\_e.htm>.



HSBC administrator and charged him with Theft Over \$5000 and Launder the Proceeds of Crime under the Criminal Code of Canada.<sup>5</sup>

In February 2004 the Canadian Justice Ministry announced the reinstatement of proposed legislation to tackle capital markets fraud. The legislation proposes a new Criminal Code offence of improper insider trading, targeting employees; protection for employees who report unlawful corporate conduct; raising maximum sentence for existing market-related offences; provide federal prosecutorial authority for cases that threaten the national interest in the integrity of Canadian capital markets; and enhance the evidence-gathering tools of investigators through the addition of production orders to the Criminal Code.<sup>6</sup>

Canadian Justice Minister Irwin Cotler was encouraged by the significant progress made at the May 2004 meeting of G8 Ministers for Justice and Home Affairs regarding corruption.<sup>7</sup>

In May 2004 Industry Canada released a report that aims to improve standards of corporate governance for federally incorporated companies, through proposed amendments to the Canada Business Corporations Act.<sup>8</sup> The paper notes that the federal government's 2004 Budget made a commitment to amend the Canada Business Corporations Act (CBCA) to enhance the transparency and accountability of corporations towards investors and shareholders. The report is a first step to satisfying this commitment. The report proposes that the majority of directors of distributing corporations be independent; that distributing corporations either separate the functions of Board Chair and CEO or, provide for an independent lead director; that audit committees of distributing corporations be composed only of independent directors; that the audit committee recommend the auditor to the board of directors prior to the board's approval of the management proxy circular; that there be independent nominating and compensation committees for distributing corporations; that a clear standard definition of 'independent director' be adopted in the CBCA Regulations; that auditors of distributing corporations be a participating firm in the Canadian Public Accountability Board; that the financial statements of distributing corporations be certified by the CEO and CFO; that CBCA penalties be amended to match securities legislation penalties where corporate and securities legislation overlap; and, that an offence be created for CEO and CFO misrepresentations with regard to the certification of financial statements.

Governance Metrics International (GMI), a corporate governance research and ratings agency, ranked Canada first out of the 20 OECD countries it surveyed. The GMI study analyzed board

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<sup>5</sup> Canada NewsWire, "Former securities 'Re-org' Administrator arrested," 12 May 2004, Toronto, May 2004 <[www.newswire.ca/en/releases/archive/May2004/12/c2356.html](http://www.newswire.ca/en/releases/archive/May2004/12/c2356.html)>.

<sup>6</sup> Department of Justice Canada, "Government of Canada Reinstates Legislation to Deter Capital Markets Fraud," 12 February 2004, Ottawa, May 2004 <[canada.justice.gc.ca/en/news/nr/2004/doc\\_31122.html](http://canada.justice.gc.ca/en/news/nr/2004/doc_31122.html)>.

<sup>7</sup> Department of Justice Canada, "Justice Minister Attends G8 Meeting," 11 May 2004, Washington, May 2004 <[canada.justice.gc.ca/en/news/nr/2004/doc\\_31188.html](http://canada.justice.gc.ca/en/news/nr/2004/doc_31188.html)>.

<sup>8</sup> Industry Canada, "Towards an Improved Standard of Corporate Governance for Federally Incorporated Companies: Proposals for Amendments to the Canada Business Corporations Act," 28 May 2004 <[strategis.ic.gc.ca/epic/internet/incilp-pdci.nsf/en/h\\_cl00730e.html](http://strategis.ic.gc.ca/epic/internet/incilp-pdci.nsf/en/h_cl00730e.html)>.

accountability, financial disclosure and internal control, executive compensation, shareholder rights, ownership base, takeover positions, and corporate behaviour and responsibility.<sup>9</sup>

## **2. France: 0**

France has partially fulfilled its commitments in the area of World Economy as outlined at the 2003 Evian Summit. The majority of the actions and initiatives taken by the French government were completed in 2003. Since then, the government has been focused primarily on promoting growth and investment in the French economy, at the expense of further efforts on corporate governance, transparency and corruption. Although the opposition Parti Socialiste has called for an independent audit of government accounts, accusations of malfeasance appear to be politically motivated rather than driven by fraud or a genuine lack of transparency.<sup>10</sup> The issues of market efficiency, corporate governance and transparency, however, have become even more complicated in France since the introduction of pension funds in April of this year. Private pension plans not included in the current law accounted for over €7 billion of transactions last year alone.<sup>11</sup> Without proper structures to regulate the challenges and inefficiencies unique to this form of security, French regulators could find their current efforts to increase market efficiency come to naught.<sup>12</sup> In addition to the positive developments noted in the Interim Compliance Report, the French Republic has achieved two important milestones. In the realm of corruption, the trial and conviction of former Prime Minister Alain Juppé appears to have greatly affected perceptions of graft in France. The court's verdict, despite alleged pressure from various members of the UMP, marks the end of an era of lax attitudes toward corruption in public administration.<sup>13</sup> Second, France has taken positive steps towards encouraging business participation in the Extractive Industries Transparency Initiative (EITI). At a UN sponsored conference on corruption in Paris in January 2004, Jacques Chirac announced that he would seek greater inclusion of the goals and principles of the EITI in the Global Compact Network France, a collection of 230 leading French companies committed to respect for human rights, transparency and the environment in their business practices.<sup>14</sup>

## **3. Germany: +1**

In January 2004 Germany introduced a bill that increases the transparency of financial transactions through the telephone or the internet for consumers. Firms are to be held to a higher standard of information provision for end users.<sup>15</sup>

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<sup>9</sup> International Chamber of Commerce, "North America, Australia head ratings, Japan bottom, most of Europe lags," 12 February 2004 <[www.iccwbo.org/CorpGov/stories/February\\_23\\_2004-GMIrating.asp](http://www.iccwbo.org/CorpGov/stories/February_23_2004-GMIrating.asp)>.

<sup>10</sup> Pascal Sauvage, "The Sarkozy Plan, "False Launch" and "Real Austerity" According to Hollande", *Libération*, 6 May 2004. [Unofficial Translation].

<sup>11</sup> *Le Monde*, "Jean-Pierre Raffarin Signs The Birth Certificate of Pension Funds", 23 April 2004. [Unofficial Translation]

<sup>12</sup> *Financial Times Ltd.*, "French Activism has a Long Way to Go", 19 April 2004, p. 6.

<sup>13</sup> *Time*, "Shock to the System", 16 February 2004, p. 32.

<sup>14</sup> M2 Presswire, "UN Global Compact to Convene International Meeting in Transparency and Fight Against Corruption in Paris", 26 January 2004.

<sup>15</sup> German Ministry of Justice, "More consumer protection with financial transactions through mouse-click," 28 January 2004, Berlin, unofficial translation, May 2004.

In April 2004 the German Federal Cabinet drafted a balance right reform law (BilReG) and a balance control law (BilKoG) that aim to increase corporate integrity. They emphasize transparency and self-monitoring to improve investor confidence. The regulations will begin being applied in January 2005. The laws emphasize the harmonization of accountancy standards with internationally accepted norms; ensuring the independence of auditors; and, an improvement in the monitoring of enterprise reports.<sup>16</sup>

In May 2004 Germany introduced a draft law that introduced the European Union's SEEG. The law will facilitate German companies' transnational ambitions through the implementation of uniform enterprise structure. Particular emphasis is placed on the rules governing corporate boards of directors.<sup>17</sup>

#### **4. Italy: -1**

Italy has failed to fulfill its commitments in the realm of World Economy as stated at the 2003 Evian Summit. The prime obstacle to the Italian government's compliance remains the ties between the current government of Silvio Berlusconi and the media industry.<sup>18</sup> Political interference and supposed conflicts of interest have led to the resignation of several key managers of RAI, the state-owned television and radio company.<sup>19</sup> The most immediate issue of concern, however, is the case of Parmalat and the fraud allegedly committed by the head of the agri-foods group, Calisto Tanzi.<sup>20</sup> Although the Minister of the Economy, Giulio Tremonti, claimed that the fiasco might cost Italian tax payers €11 billion and would require a major overhaul of the country's financial regulatory framework, little appears to have been done to correct the corporate governance loopholes that allowed the scandal to occur.<sup>21</sup> As well, the impotence of the Italian government in dealing with the opacity of certain financial sectors and the malfeasance of directors has been further highlighted by the Banca 121 case. It has emerged that Banca 121 continued to sell its misrepresented financial products to poorly informed investors even after Minister Tremonti, wrote to then governor of Banca 121 Antonio Fazio concerning the faulty products.<sup>22</sup> Finally, Italian corporate governance is only further tarnished by the emerging investigation into the financial firm Azioni Capitalia of Milan. The firm is alleged to have aided in illegal activities conducted during the bankruptcy of another firm, Cirio.<sup>23</sup> Without strong government leadership in the area of corporate governance and regulatory reform, it is highly probable that Italian investors will soon lose confidence in the

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<sup>16</sup> German Ministry of Justice, "Balance right reform and balance control strengthen enterprise integrity and investor protection," 21 April 2004, Berlin, unofficial translation, May 2004.

<sup>17</sup> German Ministry of Justice, "European corporation strengthens the international competitive ability of German enterprises," 26 May 2004, Berlin, unofficial translation, May 2004.

<sup>18</sup> La Repubblica, "RAI Occupied, Degeneration of the Democratic System", 6 May 2004. [Unofficial Translation].

<sup>19</sup> Jean-Jacques Bozonnet, "Tension Between the President of RAI and the Italian Government", Le Monde, 2 May 2004. [Unofficial Translation].

<sup>20</sup> La Stampa, "A New Exchange of Accusation between Treasury and BankItalia", 18 January 2004. [Unofficial Translation].

<sup>21</sup> Jean-Jacques Bozonnet, "Parmalat Could Cost Italians 11 billion euros", Le Monde, 16 January 2004. [Unofficial Translation].

<sup>22</sup> La Repubblica, "Banca 121, Fingering Fazio, BankItalia: 'It's A Necessary Step'", 24 February 2004, [www.repubblica.it/2003/l/sezioni/economia/banca121/fazind/fazind.html](http://www.repubblica.it/2003/l/sezioni/economia/banca121/fazind/fazind.html). [Unofficial Translation].

<sup>23</sup> La Repubblica, "Geronzi Fingering for Cirio Even by the Milanese Prosecutor", 2 March 2004, [www.repubblica.it/2004/a/sezioni/economia/cirio2/geroinda/geroinda.html](http://www.repubblica.it/2004/a/sezioni/economia/cirio2/geroinda/geroinda.html). [Unofficial Translation].

country's capital markets and corporate structures.<sup>24</sup> Market transparency and efficiency have themselves been harmed by persistent speculation and discussion over possible government intervention in various football clubs<sup>25</sup> and Alitalia<sup>26</sup>, the national carrier. On a positive note, the securities regulatory, Consob, has utilized European Union directives to sanction those corporations based in Italy seeking investment funds without proper certification from the Italian authorities.<sup>27</sup> Italy has thus far made no serious attempts at fulfilling its commitments to the Extractive Industries Transparency Initiative, of which it is a signatory member.

## **5. Japan: 0**

In February 2004 Japanese firms outlined their commitment to corporate social responsibility, however, they emphasized that companies pursue their own corporate strategies and priorities through the adoption of non-standardized voluntary guidelines.<sup>28</sup>

In April 2004 the Japanese Business Federation and UNICE issued a joint statement supporting the development of a single internationally accepted set of accounting standards. Particular emphasis was placed on the work of the International Accounting Standards Board (IASB).<sup>29</sup>

In May 2004 the Japanese Business Federation, Nippon Keidanren, called for the improvement of corporate law and the tax system, and regulatory reforms, aimed at improving transparency and promoting competition to strengthen Japanese corporations' position in the global market.<sup>30</sup>

Governance Metrics International (GMI), a corporate governance research and ratings agency, ranked Japan last out of the 20 OECD countries it surveyed. The GMI study analyzed board accountability, financial disclosure and internal control, executive compensation, shareholder rights, ownership base, takeover positions, and corporate behaviour and responsibility.<sup>31</sup>

## **6. Russia: 0**

Russia has partially fulfilled its commitments in the area of World Economy as outlined at the 2003 Evian Summit. In January, the Russian government began discussion of a new anti-corruption campaign, although many critics in the country's media doubted the sincerity of the long-awaited plan or its efficacy in eliminating the influence of money in political circles.<sup>32</sup>

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<sup>24</sup> Corriere Della Sera, "Ciampi: Trust is Essential for the Economy", 27 February 2004. [Unofficial Translation].

<sup>25</sup> BBC News, "Italian Football Finances Probed", 28 February 2004.

<sup>26</sup> BBC News, "Bankruptcy Warning for Alitalia", 4 May 2004.

<sup>27</sup> La Stampa, "Consob Blocks Seven Sites of a Mysterious Firm: Avatar", 22 February 2004. [Unofficial Translation].

<sup>28</sup> Nippon Keidanren, "Nippon Keidanren Position Paper on Promoting Corporate Social Responsibility," 17 February 2004, Tokyo, May 2004 <[www.keidanren.or.jp/english/policy/2004/017.html](http://www.keidanren.or.jp/english/policy/2004/017.html)>.

<sup>29</sup> Nippon Keidanren, "Joint Statement of International Accounting Standards," 19 April 2004, Tokyo, May 2004 <[www.keidanren.or.jp/english/policy/2004/032.html](http://www.keidanren.or.jp/english/policy/2004/032.html)>.

<sup>30</sup> Nippon Keidanren, "Developing a New Frontier by Nurturing Corporate Dynamism," 27 May 2004, Tokyo, May 2004 <[www.keidanren.or.jp/english/policy/2004/045.html](http://www.keidanren.or.jp/english/policy/2004/045.html)>.

<sup>31</sup> International Chamber of Commerce, "North America, Australia head ratings, Japan bottom, most of Europe lags," 12 February 2004 <[www.iccwbo.org/CorpGov/stories/February\\_23\\_2004-GMIrating.asp](http://www.iccwbo.org/CorpGov/stories/February_23_2004-GMIrating.asp)>.

<sup>32</sup> Pravda, "Corruption – it's a gift for Russia", [politics.pravda.ru/politics/2004/1/1/15722\\_CORRUPTION.html](http://politics.pravda.ru/politics/2004/1/1/15722_CORRUPTION.html), 16 January 2004. [Unofficial Translation]

Members of Russian anti-corruption organizations predict that if serious steps are not taken to eradicate corruption in Russia — which they claim has permeated every aspect of Russian life — ordinary citizens will lose faith in the parliamentary system and Russia’s democratic institutions.<sup>33</sup> Russia’s government has continued to pursue the country’s so-called oligarchs, whom it accuses of corporate malfeasance, fraud and tax evasion, among other crimes. In March, the government first demanded \$1 billion US in back taxes from the oil firm Sibneft, owned by Roman Abramovich. Two days later, it demanded a further \$420 million US.<sup>34</sup> Although critics assert that the government’s actions are politically motivated, official sources maintain that oil firms deflated the selling prices of oil products in their financial statements in order to evade taxes. Similar accusations have been leveled against the oil firm YUKOS, whose president Mikhail Khodorkovsky is awaiting trial on fraud and other charges. In April, YUKOS’s offices were raided as part of the investigation into the alleged tax evasion.<sup>35</sup> The Russian government has also taken several less contentious steps towards strengthening transparency and corporate governance in the country. In April, Coordinator of the National Committee on Corporate Governance Astopovich announced that a conference of experts on corporate governance would be held in Moscow in June.<sup>36</sup> As well, in a survey conducted by the ratings agency S&P, 80% of investors questioned believed that corporate governance in Russia had improved since the 1990s.<sup>37</sup> Prior to President Putin’s shuffle of his government in February, then Prime Minister Kasyanov announced that the Russian government would pursue anti-monopoly legislation and other mechanisms aimed at improving market efficiency by 2007.<sup>38</sup> Whether or not such plans will be completed remains the prerogative of the new government, confirmed after the March 2004 presidential elections. Despite being a signatory to the EITI, Russia has yet to fulfill any of the commitments outlined in this agreement.

## 7. United Kingdom: 0

The UK Department of Trade and Industry has wound up several firms in 2004 including a company that received more than £100 million by selling derelict boarded-up houses in an elaborate investment scam<sup>39</sup> and a firm that charged exorbitant fees to list business entries on an internet business directory.<sup>40</sup>

In February 2004 the Director of the UK’s Serious Fraud Office (SFO), Robert Wardle, noted that the Corporation of London and the Home Office have pledged an additional £4 million in

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<sup>33</sup> Pravda, “Sergei Stepashin knows how to save Russia from corruption”, [economics.pravda.ru/economics/2004/7/21/58/16045\\_CORRPTION.html](http://economics.pravda.ru/economics/2004/7/21/58/16045_CORRPTION.html), 15 February 2004, [Unofficial Translation]

<sup>34</sup> BBC News, “Sibneft ‘hit by further tax bill’”, 4 March 2004.

<sup>35</sup> BBC News, “Tax Police Raid Oil Giant Yukos”, 22 April 2004.

<sup>36</sup> Interfax, “Press Conference on Corporate Governance in Russia”, 20 April 2004.

<sup>37</sup> WPS, “National Report About the State of Corporate Governance in Russia, which President Vladimir Putin will present at the G8 meeting, has been partially disclosed”, 22 April 2004. [Translation on nexis.com]

<sup>38</sup> Vesti, “An Electro-energy Market Will Be Formed in 2004”, 16 January 2004. [Unofficial Translation]

<sup>39</sup> UK Department of Trade and Industry, “Property Investment Companies Wound Up Following DTI Investigation,” 1 March 2004, London, May 2004  
<213.38.88.221/gnn/national.nsf/TI/AF21CD4B03F0B34E80256E4A005B96EF?opendocument>.

<sup>40</sup> UK Department of Trade and Industry, “Online Business Index Wound Up,” 28 January 2004, London, May 2004  
<213.38.88.221/gnn/national.nsf/TI/8843F7EF708930BC80256E29005DC118?opendocument>.

funding to increase the number of City of London Police detectives dedicated to tackling fraud. Wardle added that the SFO will be receiving a fifty percent increase in funding over the next two years.<sup>41</sup>

The SFO has dealt with several fraud cases in 2004 including dockets concerning three construction industry professionals that wrongfully invoiced six contracts for £15 million; false accounting practices of a former finance manager of the Milk Development Council; executives involved West Midlands based high yield investment fraud; and, executives involved in a worldwide advance fee fraud conducted through a venture capital business.<sup>42</sup> Governance Metrics International (GMI), a corporate governance research and ratings agency, ranked the UK fourth out of the 20 OECD countries it surveyed. The GMI study analyzed board accountability, financial disclosure and internal control, executive compensation, shareholder rights, ownership base, takeover positions, and corporate behaviour and responsibility.<sup>43</sup>

## **8. United States: +1**

The US Department of Justice Antitrust Division was busy in 2004, seeing NEC-Business Network Solutions Inc. pleading guilty to bid rigging and wire fraud charges, resulting in a US\$20.6 million dollar fine and restitution; ordering Microsoft's Bill Gates to pay US\$800,000 for violating antitrust premerger notification requirements; and, making Crompton Corporation pay US\$50 million for participating in a rubber Chemicals cartel, among others.<sup>44</sup>

The Justice Department and Federal Trade Commission hosted a joint workshop on merger enforcement from 17-19 February 2004 in Washington, D.C.<sup>45</sup> The workshop was open to the public and its agenda spanned issues like applying a monopolist test, concentration and market shares, non-price competition and innovation, efficiencies and dynamic analysis.<sup>46</sup>

In March 2004 the US Securities and Exchange Commission (SEC) held a roundtable discussion regarding proposed security holder nomination rules.<sup>47</sup> The roundtable addressed the proxy process by which directors are nominated and elected, the possible disclosure of security holder nominees in company proxy materials, security holder rights, the impact on retail and other investors, and, the voting mechanics of the proposed initiatives.

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<sup>41</sup> UK Serious Fraud Office, "Adam Smith Institute Fraud Seminar," 26 February 2004, Westminster, May 2004 <[www.sfo.gov.uk/publications/speechesout/sp\\_79.asp?id=79](http://www.sfo.gov.uk/publications/speechesout/sp_79.asp?id=79)>.

<sup>42</sup> UK Serious Fraud Office, "Press Release Archive 2004," 25 May 2004 <[www.sfo.gov.uk/news/pr\\_archive.asp](http://www.sfo.gov.uk/news/pr_archive.asp)>.

<sup>43</sup> International Chamber of Commerce, "North America, Australia head ratings, Japan bottom, most of Europe lags," 12 February 2004 <[www.iccwbo.org/CorpGov/stories/February\\_23\\_2004-GMIrating.asp](http://www.iccwbo.org/CorpGov/stories/February_23_2004-GMIrating.asp)>.

<sup>44</sup> US Department of Justice, Antitrust Division, "2004 Press Releases," May 2004 <[www.justice.gov/atr/public/press\\_releases/2004/index04.htm](http://www.justice.gov/atr/public/press_releases/2004/index04.htm)>.

<sup>45</sup> US Department of Justice, "Justice Department/Federal Trade Commission to Host Joint Workshop on Merger Enforcement," 11 February 2004, Washington, D.C., May 2004 <[www.justice.gov/atr/public/press\\_releases/2004/202426.htm](http://www.justice.gov/atr/public/press_releases/2004/202426.htm)>.

<sup>46</sup> US Department of Justice, "Merger Enforcement Workshop: Workshop Agenda," 17-19 February 2004, Washington, D.C., May 2004 <[www.justice.gov/atr/public/workshops/mewagenda2.htm](http://www.justice.gov/atr/public/workshops/mewagenda2.htm)>.

<sup>47</sup> US Securities and Exchange Commission, "Agenda for Roundtable Discussion on Proposed Security Holder Director Nomination Rules: March 10, 2004," 10 March 2004, Washington, D.C., May 2004 <[www.sec.gov/spotlight/dir-nominations/dir-nom-agenda.htm](http://www.sec.gov/spotlight/dir-nominations/dir-nom-agenda.htm)>.

The SEC charged Scott D. Sullivan, WorldCom's former CFO, with a civil action accusing him of engaging in multi-billion dollar financial fraud in March 2004.<sup>48</sup> The Commission alleged that Sullivan "caused numerous improper adjustments and entries in WorldCom's books and records, often in the hundreds of millions of dollars...made numerous false and misleading public statements about WorldCom's financial condition and performance and signed a number of SEC filings that contained false and misleading material information".<sup>49</sup>

The SEC held a hearing on modernizing the regulatory framework for the National Market System, or Regulatory NMS, in April 2004.<sup>50</sup> The hearing sought to promote dialogue on the development of the regulation that "in its current form is designed to encourage honoring the best price between markets by establishing a uniform trade-through rule for both exchange and Nasdaq listed securities, with proposed exceptions for slow markets and informed investor opt-outs."<sup>51</sup>

In May 2004 the SEC charged a former Managing Director for Investor Relations and Corporate Secretary for Enron Corp. for violating the antifraud provisions of the federal securities laws.<sup>52</sup> Fraud charges were also brought against Enron's former President, CEO, Chief Operating Officer, Chief Accounting Officer, and CFO in 2004.<sup>53</sup>

In 2004 the SEC made final rulings on regarding market timing and selective disclosure of portfolio holdings, shareholder reports and quarterly portfolio disclosure of registered management investment companies, and, management responsibilities in international control over financial reporting.<sup>54</sup>

Governance Metrics International (GMI), a corporate governance research and ratings agency, ranked the US second out of the 20 OECD countries it surveyed. The GMI study analyzed board accountability, financial disclosure and internal control, executive compensation, shareholder rights, ownership base, takeover positions, and corporate behaviour and responsibility.<sup>55</sup> The US portion of the study was the most thorough, analyzing 1159 firms.

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<sup>48</sup> US Securities and Exchange Commission, "SEC Charges Scott D. Sullivan, WorldCom's Former Chief Financial Officer, with Engaging in Multi-Billion Dollar Financial Fraud," 2 March 2004, May 2004 <[www.sec.gov/litigation/litreleases/lr18605.htm](http://www.sec.gov/litigation/litreleases/lr18605.htm)>.

<sup>49</sup> US Securities and Exchange Commission, "SEC Charges Scott D. Sullivan, WorldCom's Former Chief Financial Officer, with Engaging in Multi-Billion Dollar Financial Fraud," 2 March 2004, May 2004 <[www.sec.gov/litigation/litreleases/lr18605.htm](http://www.sec.gov/litigation/litreleases/lr18605.htm)>.

<sup>50</sup> US Securities and Exchange Commission, "Speech by SEC Chairman: Opening Statement at the Regulation NMS Hearing," 21 April 2004, New York, May 2004 <[www.sec.gov/news/speech/spch042104whd.htm](http://www.sec.gov/news/speech/spch042104whd.htm)>.

<sup>51</sup> US Securities and Exchange Commission, "Speech by SEC Chairman: Opening Statement at the Regulation NMS Hearing," 21 April 2004, New York, May 2004 <[www.sec.gov/news/speech/spch042104whd.htm](http://www.sec.gov/news/speech/spch042104whd.htm)>.

<sup>52</sup> US Securities and Exchange Commission, "SEC Charges Paula . Reiker with Violating Federal Securities Laws While Serving as Investor relations Official at Enron," 19 May 2004, May 2004 <[www.sec.gov/litigation/litreleases/lr18717.htm](http://www.sec.gov/litigation/litreleases/lr18717.htm)>.

<sup>53</sup> US Securities and Exchange Commission, "Enron-Related Enforcement Actions," May 2004 <[www.sec.gov/spotlight/enron.htm](http://www.sec.gov/spotlight/enron.htm)>.

<sup>54</sup> US Securities and Exchange Commission, "SEC Final Rules," May 2004 <[www.sec.gov/rules/final.shtml](http://www.sec.gov/rules/final.shtml)>.

<sup>55</sup> International Chamber of Commerce, "North America, Australia head ratings, Japan bottom, most of Europe lags," 12 February 2004 <[www.iccwbo.org/CorpGov/stories/February\\_23\\_2004-GMIrating.asp](http://www.iccwbo.org/CorpGov/stories/February_23_2004-GMIrating.asp)>.

## **9. \*European Union**

To come.



## 2003 Evian Final Compliance Report Information and Communication Technology

### Commitment

2003-69: “Developing close co-ordination of global observation strategies to minimise data gaps by improving world-wide reporting and archiving of the data on atmosphere, land, fresh water, oceans and ecosystems and build on existing work to produce reliable data by spring’s Tokyo ministerial conference”.

### Background

This commitment resulted because of the G8’s recognition of the need for more comprehensive sustainable development initiatives through the more efficient use of technology, and the belief that co-operation on global observation strategies offer the potential to improve the social infrastructure of developing countries. The fulfilment of this commitment would help achieve other objectives endorsed by the G8, namely the Millennium Development Goals (MDGs) as well as the objectives outlined at the most recent World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa, through access to ICT and more reliable sources of information on environmental data. Successful compliance with this commitment could also increase initiatives for technological co-operation in other sectors, namely in the areas of economic competitiveness and global security issues.

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		0	
United Kingdom		0	
United States			+1
Overall			+0.75

### Individual Country Compliance Breakdown

#### 1. Canada: +1

The need to take further action on global observation strategies has been recognized by Canadian government officials. The Environment Canada *Report on Plans and Priorities for 2003-2004* states that Environment Canada’s mission is to further sustainable development initiatives in the areas of pollution, conserving of biodiversity and ecosystems the improvement of overall environmental quality. Furthermore, Environment Canada has implemented other programs including technology and reporting activities in order to better understand naturally-occurring environmental processes, evaluate and assess the effects of known and emerging stresses on the environment, and design and evaluate policy options. The Ministry has further accepted and

acknowledged the responsibility of monitoring the expanse of its atmospheric and water resources through observation stations, measurement programs and a range of technologies. It has also set forth plans to integrate new technologies for the purpose of monitoring and assessing in order to enhance its current observation capacity. Environment Canada has stated an agenda for the following seven years which prioritizes the following: 1) the reduction of environmental threats related to the atmosphere, water, toxic substances and contaminated sites; 2) continuing to promote the conservation of existing ecosystems through broader ecosystem strategies and preserve species through species strategies under the Species at Risk Act (SARA).<sup>56</sup>

The 2004 Federal Budget makes significant contributions towards the cleaning of contaminated sites, the promotion of environmental technologies, and the development of indicators to incorporate environmental considerations into decision making. The budget provides \$3.5 billion (CAN) over the next 10 years towards the cleaning of Federal Contaminated Sites and another \$500 million over the next 10 years to Shared-Liability Contaminated Sites. The Canadian government has committed to investing \$1 billion in support of new environmental technologies. Over a period of two years, the government has stated that it will invest another \$200 million dollars in Sustainable Development Technology Canada. An additional \$800 million will be invested over the following five years towards environmental technologies as priorities are defined and as opportunities become available. This budget will also invest another \$15 million over the next two years to develop and report better indicators on clean air, clean water and gas emissions.<sup>57</sup> Overall, the Canadian government has illustrated its political dedication to increased global observation and coordination strategies through new legislation and increased budgetary allocation.

## **2. France: +1**

France has taken a forward step in recognizing the importance of ICT and the benefits that can be gained from increased coordination efforts.

France has already completed the first phase of the goals of the World Summit of the Information Society held in Geneva from 10-12 December 2003. Its goal was to create a plan of action to be completed by 2005 that aims to reduce the digital divide and to make ICT increasingly available to developing countries. France plans on continuing to play an active role along with the EU to increase international access to ICT.<sup>58</sup>

France also takes an active role in the Global Monitoring for Environment and Security (GMES). The GMES is a joint initiative of the European Commission and the European Space Agency. The system uses Earth Observation satellites to provide vital information on global environment and security. It should be in place and fully operational by 2008. It will enable France to better

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<sup>56</sup> Minister of Environment's Report, Section 2. Environment Canada. [www.tbs-sct.gc.ca/est-pre/20032004/ec-ec/ec-ecr34\\_e.asp?printable=True](http://www.tbs-sct.gc.ca/est-pre/20032004/ec-ec/ec-ecr34_e.asp?printable=True)

<sup>57</sup> Budget 2004. Department of Finance. [www.fin.gc.ca/budget04/bp/bpc4de.htm#environment](http://www.fin.gc.ca/budget04/bp/bpc4de.htm#environment)

<sup>58</sup> French Foreign Ministry, France, "Statement by the French Foreign Ministry Spokesperson Paris, 9 December 2003." <[www.france.diplomatie.fr](http://www.france.diplomatie.fr)>

coordinate environmental policies and improve crisis management capabilities. The system will also create a dependable database of information.<sup>59</sup>

The European Environment Agency, based in Copenhagen, provides for the monitoring of the state of the environment and providing early warning of impending problems. The agency was set up by the EU, and membership now covers the whole of Europe. The agency provides policymakers with information on which to base their decisions, promotes best practice in environmental protection and technologies, and helps the European Commission disseminate the results of environmental research.

Research into problems affecting the environment or the natural habitat receives funding under the LIFE program. Financed primarily by the EU, including substantial contributions by France, LIFE has a budget of €640 million for 2000-2004. Besides the 25 member states, the main beneficiaries are Romania, Turkey, and countries in the Balkans and the eastern and southern Mediterranean. Funds from other EU research programs are also available to research environmental improvements or the impact of environmental factors on public health.

The EU has been keen to ensure that citizens and businesses benefit from the achievements of the information society. One priority is to prevent a “digital divide” opening up between the richer and poorer (often outlying) EU regions with less access to the internet or new digital services, or between the previous 15-nation EU and the ten newcomers who joined on 1 May 2004.

The eEurope initiative was launched by EU leaders at their summit in Lisbon in 2000 when they set the ambitious headline target of transforming the Union into the most competitive knowledge-based society in the world by 2010.

Information and communications technologies not only form a major sector of economic activity, generating about 7.5% of the EU’s wealth measured in terms of gross domestic product (GDP). They are an essential enabling technology as well, underpinning the efficiency and competitiveness of all manufacturing and services sectors. This is why the Lisbon agenda set the requirements that businesses and citizens must have access to an inexpensive, world-class communications infrastructure and a wide range of services; every citizen must be equipped with the skills needed to live and work in this new information society; a higher priority must be given to life-long learning as a basic component of the European social model.

The next deadline for the eEurope initiative is 2005, by which time the economies of the ten new members will be well integrated with the rest of the EU. The newcomers had already prepared themselves for membership by setting themselves a series of eEurope targets of their own prior to joining.

Broadband access to the internet, providing fast, cheap and permanent online communications, is seen as the key enabling technology in this time frame. All businesses, schools and universities of present Union members must have broadband access to the Internet by 2005. The EU will use

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<sup>59</sup> GMES 6 January, 2004 <[www.gmes.info/what\\_is/index.html](http://www.gmes.info/what_is/index.html)>

existing structural funds (Regional and Social Funds, etc) to facilitate broadband access in remote and rural regions.

eEurope 2005 also calls for other technologies like third generation mobile telephony or interactive digital television to provide broadband access by 2005, in order to expand competition and reduce the current domination by fixed-line telephone operators, the primary providers of broadband services today.<sup>60</sup>

### **3. Germany: +1**

Germany has been an active participant in the EU's efforts towards addressing problems with energy and climate protection. In addition to the existing trade in CO<sub>2</sub> emissions, the option of so-called "green certificates" and "white certificates" could be used to assess the share of renewable energies in total energy generation and measures for saving energy and improving energy efficiency.<sup>61</sup> Germany, along with the EU as a whole, has addressed the need to improve technological cooperation in this area while maintaining economic prosperity.

Furthermore, Germany has supported the independent European Program on Environment Monitoring and Observation, which would monitor environmental statistics and collect global environmental data. The project (GMES) is geared towards supporting a precautionary European environment policy, the prevention of disasters and the provision of disaster relief in crisis situations. Margareta Wolf, Parliamentary State Secretary at the Environment Ministry stated that "Global monitoring is a core element of international environment policy. We are establishing an effective instrument to recognize threats early on and help prevent potential damage to the environment. Within the project we are setting up a European-wide warning system which provides us with information on risks such as maritime pollution, floods, and forest fires." Under its 6<sup>th</sup> framework Program for Research the European Commission will make approx. 100 million Euro available for the establishment of GMES. Another 83 million Euro are provided by the European Space Agency (ESA), approx. 19 million Euro of which came from the German government. German industry is strongly involved in the establishment of GMES services in the framework of project consortia. After the Bonn GMES conference, landmark decisions are to be taken in the European Parliament in spring 2004 on the further development of this independent program.<sup>62</sup>

In addition to Europe-wide programs on environmental cooperation and technology, Germany has also taken an interest in bilateral technology-sharing programs. The first ever German-

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<sup>60</sup> europa.eu.int

<sup>61</sup> Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. Press Release, "Federal Environment Minister Jürgen Trittin meets EU Environment and Energy Ministers," available at [www.bmu.de/en/800/js/news/pressrelease030718](http://www.bmu.de/en/800/js/news/pressrelease030718)

<sup>62</sup> Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. Press Release, "German Government supports independent European Programme on Environment Monitoring and Observation," available at [www.bmu.de/en/800/js/news/pressrelease031119/](http://www.bmu.de/en/800/js/news/pressrelease031119/)

Chinese environment forum opened in December 2003, with Germany emphasizing China's huge potential for increasing energy efficiency and developing renewable energies.<sup>63</sup>

Federal Environment Minister Jürgen Trittin recently highlighted the three German-Turkish consultancy projects that have already been agreed on concerning nature conservation, waste management, and air pollution control. In addition, he invited the Turkish Environment Minister Osman Pepe to take part in the International Conference for Renewable Energies ("renewables2004") which Germany will be hosting in Bonn in June 2004.<sup>64</sup>

#### **4. Italy: +1**

Mr. Altero Matteoli, Minister for the Environment and Territory of the Republic of Italy, is currently acting as President of the Environment Council of the European Union. Italy has supported the independent European Program on Environment Monitoring and Observation (GMES), which proposes to monitor environmental statistics and collect global environmental data. Italy hosted a recent United Nations conference on climate change, in which twenty industrialized countries (including the members of the EU) confirmed their intention to give \$410 million dollars (U.S.) a year starting in the year 2005 in order to help developing nations fight climate change and its repercussion through increased technological networks to facilitate monitoring efforts.<sup>65</sup> Out of these funds, \$80 million is to come directly from Italy.

At the second Asia Europe (ASEM) Environment Ministers' Meeting in Lecce in October 2003, ministers stressed the importance of the development of communication networks bearing in mind the Bonn guidelines of an international regime to promote and safeguard the fair and equitable sharing of benefits arising out of the utilization of genetic resources. In addition, they committed to promote technology transfer and cooperation as a follow up to the World Summit on Sustainable Development that took place in Johannesburg in 2002.<sup>66</sup>

#### **5. Japan: +1**

The Ministry of Education, Culture, Sports, Science and Technology (MEXT) website outlines Japan's science and technology policies for the upcoming months. The promotion of research and development in Ocean Science, Earth Science, and Environmental Science figures prominently. MEXT "promotes research and development of integrated modeling based on the understanding of the interaction among the geosphere, atmosphere, hydrosphere, biosphere, and human sphere (process research) and research using the world's fastest computer "Earth Simulator."<sup>67</sup> Other projects include the Frontier Research System for Global Change, the Project

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<sup>63</sup> Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety. Press Release, "First German-Chinese Environment forum opens in Beijing," available at [www.bmu.de/en/800/js/news/pressrelease031219/](http://www.bmu.de/en/800/js/news/pressrelease031219/)

<sup>64</sup> Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. Press Release, "Turkey expresses interest in German environmental technology," available at [www.bmu.de/en/800/js/news/pressrelease040203/](http://www.bmu.de/en/800/js/news/pressrelease040203/)

<sup>65</sup> Associated Foreign Press, "Severa; industrial countries will give 337 million Euros a year to poor nations to combat climate change," available at [civitas.barcelona2004.org/news/newsdetail.cfm?NewsID=26243](http://civitas.barcelona2004.org/news/newsdetail.cfm?NewsID=26243)

<sup>66</sup> Second ASEM Environment Ministers' Meeting, Lecce, Italy, October 11-13, 2003 – Chairman's Summary, available at [www.iias.nl/asem/asem2003/ASEMEnMM2Chairmans\\_Summary.pdf](http://www.iias.nl/asem/asem2003/ASEMEnMM2Chairmans_Summary.pdf)

<sup>67</sup> Ministry of Education, Culture, Sports, Science and Technology, "Science and Technology: Promotion of Research and Development," [www.Mext.go.jp/English/org/science/37.htm](http://www.Mext.go.jp/English/org/science/37.htm).

for Sustainable Coexistence of Human, Nature, and Earth Project, and several oceanographic and atmospheric observation projects, particularly in the Polar Regions.<sup>68</sup>

Japanese Senior Vice Minister of Education, Culture, Sports, Science and Technology, Kisaburo Tokai, addressed the Earth Observation Summit in Washington D.C. on 31 July 2003.<sup>69</sup> Tokai noted that Japan places a high priority on Earth observation to solve global environmental issues and that the Japanese government has “endeavoured in developing the Integrated Global Observation Strategy (IGOS).”<sup>70</sup> Tokai further outlined Japan’s recent major efforts in Earth observation. He noted the joint Japan-US Tropical Rainfall Measuring Mission (TRMM) produced the first ever global three-dimensional space based observations of precipitation. Tokai also remarked on the recent launch of the Midori II (ADEOS-II) advanced Earth observation satellite; the future development of a new satellite (GOSAT) to observe greenhouse gases; future plans for the marine research vessel Mirai to collect data on approximately 500 locations in the southern hemisphere; the launch of the Advanced Land Observing Satellite next year; and, Japan’s intention to join the International Charter on Space and Major Disasters were also mentioned.<sup>71</sup> Finally, Tokai emphasized that the “fastest super-computer in the world,” the Earth Simulator, will strengthen international cooperation on Earth Observation, particularly through capacity-building and data-sharing in developing countries.<sup>72</sup>

The Japanese Ministry of the Environment released a draft interim report entitled “Climate Regime Beyond 2012: Basic Considerations” in December 2003.<sup>73</sup> This report emphasizes the continued need to transfer technologies for environmental analysis to developing countries. Japan tends to focus on improved partnerships with Asian countries.

In addition, Japan is a co-chair of the Group on Earth Observation (GEO), and actively participated in GEO-1, 1-2 August 2003 in Washington D.C., GEO-2, which took place from 28-29 November 2003 in Baveno, Italy,<sup>74</sup> as well as GEO-3 which took place in Nairobi Kenya at the end of March 2004. Japan hosted the GEO-4 summit in Tokyo on 22-23 April 2004, as well as the Earth Observation Summit II in Tokyo on 25 April 2004.<sup>75</sup> The objectives of the GEOSS 10-Year Implementation Plan, presented at the summit, include the improved management of global energy resources, improving weather information, forecasting, and warning, improving the management and protection of terrestrial, coastal, and marine ecosystems, as well as

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<sup>68</sup> Ibid.

<sup>69</sup> Earth Observation Summit, “Strengthening International Cooperation on Earth Observation, Address by Kisaburo Tokai, Senior Vice Minister, Ministry of Education, Culture, Sports, Science and Technology, Japan,” 31 July 2003, [www.earthobservationsummit.gov/statement\\_japan.pdf](http://www.earthobservationsummit.gov/statement_japan.pdf).

<sup>70</sup> Ibid.

<sup>71</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> Ministry of the Environment, Japan, “Climate Regime Beyond 2012: Basic Considerations,” December 2003 [www.env.go.jp/en/topic/cc/031126.pdf](http://www.env.go.jp/en/topic/cc/031126.pdf).

<sup>74</sup> Group on Earth Observations, “Public Documents,” [earthobservations.org/documents.asp?sec=geo1](http://earthobservations.org/documents.asp?sec=geo1).

<sup>75</sup> Group on Earth Observations, “Earth Observation Summit 2,” [earthobservations.org/docs/geo-2/10%20-20%20tokyo%20eos%20ii%20summit.ppt](http://earthobservations.org/docs/geo-2/10%20-20%20tokyo%20eos%20ii%20summit.ppt).

understanding, monitoring, and conserving biodiversity with the intent of promoting sustainable development.<sup>76</sup>

## **6. Russia: 0**

The Russian Regional Environmental Centre has participated in numerous conferences that were held to address issues of land, atmosphere and water. The government of the Russian federation is reviewing technological prospects of regulating organic farming products. The Ministry of Agriculture of Russia has stated that chemical fertilizers are either not used or used in limited quantity. This means that the majority of land that is used for agriculture will, with the passing of the regulation regarding organic farming, be transformed to organic farming. The regulation or legislation will also adopt new technologies for the organic farming that will limit the waste and will utilize the land with productive efficiency and environmental stability.<sup>77</sup> The Government of the Russian Federation has also implemented a commission or project in conjunction with the Danish, the Joint Russian-Danish Commission on Environmental Protection. This project has three main components all focused on the protection and preservation of the atmosphere. The three components are: inventory of emissions and discharges of gases, joint projects, and system of trade in gas emission quotas. Research for the project has begun in Leningrad, Novgorod and Sverdlovsk and is expected to expand in other cities and regions within the Federation.<sup>78</sup> Furthermore, the Russian Federation has hosted the Conference on the EU Water Initiative in Moscow in February 2004. The conference covered issues including municipal water supply and sanitation, integrated management of water resources, trans-boundary water issues, and the financing of water sector activities.<sup>79</sup>

Based on the actions taken by the Government of the Russian Federation, Russia has taken steps forward and has increased its activity in confronting issues while bettering its prospects. Though there have been no figures stated in relation to the programs that have been implemented to address the atmospheric, land and water issues, the implementation of such programs and the research currently being conducted have shown some progress on the commitments made at the summit. Despite this, however, the Russian Federation has not only lacked any financial commitments, it has also lacked the efforts to address the issues pertaining to ecosystems. While the issues of atmosphere, land and water have been addressed, the issues regarding ecosystems have not been addressed. Therefore, the level of compliance has been less than complete, and remains a work in progress.

## **7. United Kingdom: 0**

The British Department of Environment, Food and Rural Affairs (DEFRA) has developed a Soil Action Plan whose goal is to encompass a total of 43 “actions” that are specific to soils but will

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<sup>76</sup> GEOSS Implementation Task Team, “Draft Annotated Outline for the GEOSS 10-Year Implementation Plan,” available at [earthobservations.org/docs/GEO-4/4.5\(1\)%20IP%20Draft%20Outline.doc](http://earthobservations.org/docs/GEO-4/4.5(1)%20IP%20Draft%20Outline.doc).

<sup>77</sup> Russian Regional Environment Centre.  
[info.rusrec.ru/ns/modules.php?op=modload&name=News&file=article&sid=376](http://info.rusrec.ru/ns/modules.php?op=modload&name=News&file=article&sid=376)

<sup>78</sup> Russian Regional Environment Centre.  
[info.rusrec.ru/ns/modules.php?op=modload&name=News&file=article&sid=381](http://info.rusrec.ru/ns/modules.php?op=modload&name=News&file=article&sid=381)

<sup>79</sup> Russian Regional Environment Centre.  
[info.rusrec.ru/ns/modules.php?op=modload&name=News&file=article&sid=380](http://info.rusrec.ru/ns/modules.php?op=modload&name=News&file=article&sid=380)

also affect other aspects of the environment. The 43 “actions” not only address soil protection issues, but also soils for agriculture and forestry; the interactions between soil, water and air; soils and biodiversity; and soils in mineral extraction, construction and the built environment. Further, it incorporates sustainable soil management and soil-friendly policy frameworks. Emphasis was also placed on the better understanding and information of soils, strategic planning for soil protection, the minimization of contamination, predicting the affects of soil on the atmosphere, and agricultural soil and forestry. The plan also puts forward implementation initiatives geared towards the betterment of the air, water and ecosystems.<sup>80</sup> The Action Plan addresses the need to draw different resources from different departments in order to identify and implement new programs that will make better not only the soil, but through it the air quality, water quality, and ecosystems.<sup>81</sup>

Although such efforts and issues have been addressed to deal with the commitments, no financial figures have been mentioned in regards to the 43 “actions” of the Soil Action Plan. The actions are a major step forward in establishing a greater understanding of issues but lack any sort of financial commitment. Furthermore, the other issues (atmosphere, water, and ecosystems) have been addressed in manners that relate to soil, however, the ecosystem, atmospheric, and water issues themselves have not been addressed directly. Furthermore, contaminated water sites, ecosystem preservations, and atmospheric issues have not been directly addressed by way of legislation or any other specific commitment. The efforts that have been made have been recognized and admired. However, the efforts that have lacked in the other issue areas have also been noted and mentioned. Therefore, the level of compliance has not been complete; rather, it remains a work in progress.

## **8. United States: +1**

The United States has increased their co-ordination of global observation strategies and the sharing of information in order to support more sustainable development.

Through the Partnership for Science-based Decisionmaking, the Environmental Protection Agency (EPA) has provided \$260,000 and the American Chemistry Council (ACC) has provided \$65,000 towards a series of “science in decision-making workshops” held on key issues such as water and sanitation and how information systems, monitoring and data processing can aid in these matters.<sup>82</sup> In addition, the Biologia Centrali-Americana initiative aims to strengthen the international museum community’s computer-based management of large-scale data on the biodiversity of Central America.<sup>83</sup>

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<sup>80</sup> Department of Environment, Food and Rural Affairs. “Soil Action Plan”.  
[www.defra.gov.uk/environment/landliability/soil/soilactionplan.pdf](http://www.defra.gov.uk/environment/landliability/soil/soilactionplan.pdf)

<sup>81</sup> Department of Environment, Food and Rural Affairs. “Soil Action Plan”.  
[www.defra.gov.uk/environment/landliability/soil/actionplan.htm](http://www.defra.gov.uk/environment/landliability/soil/actionplan.htm)

<sup>82</sup> U.S. Department of State, United States, “Partnership for Science-based Decisionmaking” 5 January 2004.  
<[www.state.gov/g/oes/rls/fs/2003/19906.htm](http://www.state.gov/g/oes/rls/fs/2003/19906.htm)>

<sup>83</sup> U.S. Department of State, United States, “The Biologia Centrali-Americana” 5 January 2004.  
<[www.state.gov/g/oes/rls/fs/2003/19756.htm](http://www.state.gov/g/oes/rls/fs/2003/19756.htm)>



The United States government has established Bureau of Oceans and International Environmental and Scientific Affairs headed by Assistant Secretary John F. Turner.<sup>84</sup>

In addition, it has also established the Environmental Technology Opportunities Portal (ETOP) which promotes programs that foster development of new cost-effective environmental technologies and relays existing EPA environmental technology information (such as best available technologies for air, water and waste treatment and control).<sup>85</sup>

The United States will complete its work on the International Space Station by 2010, fulfilling its commitment to its 15 partner countries. The funding added will total \$12 billion dollars over the next five years. The U.S. is engaged in extensive international efforts on climate, both through multilateral and bilateral activities. The U.S. is the largest funder of the activities of the UN Framework Convention on Climate Change and the Intergovernmental Panel on Climate Change, and leads R & D projects through the Generation IV International Forum. Bilaterally, the U.S. has developed a number of agreements with major international partners to pursue research on global climate change and deploy climate observation systems, collaborate on energy and sequestration technologies, and explore methodologies for monitoring and measuring GHG emissions. Since June 2001, the United States has engaged in bilateral partnerships with Australia, Canada, China, seven Central American countries (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), the European Union, India, Italy, Japan, New Zealand, Republic of Korea, the Russian Federation and South Africa on issues ranging from climate change science to energy and sequestration technologies to policy approaches.

Other initiatives include the Global Environmental Facility (GEF). As part of a \$2.2 billion international replenishment agreement, the Bush Administration has pledged \$500 million to the GEF over the next 4 years to help developing countries address environmental problems, including global climate change. The GEF is the financial mechanism under the United Nations Framework Convention on Climate Change and the United States' contribution is the largest of any country. This commitment, which will fund technology transfer and capacity building in developing countries, represents a 16 percent increase over the U.S. contribution in the previous replenishment.

Through the United States Agency for International Development, the Bush Administration intends to spend at least \$175 million in FY '04 for all USAID climate change programs including those that fund the transfer of more efficient, cleaner, advanced technologies to developing countries.<sup>86</sup>

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<sup>84</sup> U.S. Department of State, United States. 5 January 2004. <[www.state.gov/g/oes/sat/rm/](http://www.state.gov/g/oes/sat/rm/)>

<sup>85</sup> U.S. Environmental Protection Agency. 5 January 2004. <[www.epa.gov/etop/about\\_etop/](http://www.epa.gov/etop/about_etop/)>

<sup>86</sup> [www.whitehouse.gov](http://www.whitehouse.gov)

## 2003 Evian Final Compliance Report Trade

### Commitment

2003:47: “We are therefore committed to delivering on schedule, by the end of 2004, the goals set out in the Doha Development Agenda, and to ensure that the Cancun Ministerial Conference in September takes all decisions necessary to help reach that goal.”

### Background

This commitment is an extension of the Africa Action Plan to continue the positive work of the G8 in assisting in the development of Africa, as well as other developing countries. In attempting to speed development, the G8 members hope to raise economic growth within the G8, which not only spreads, but also provides the G8 with increased resources to pass on to the developing world. These resources can then be used to implement structural and governance reforms to accelerate growth and social progress.

The multilateral system embodied in the World Trade Organization (WTO) and the Doha Development Agenda is central to assisting developing nations to promote economic growth. The failure of the Cancun Ministerial Conference in September 2003, which was intended to take steps towards the implementation of the Doha Development Agenda, will prevent the G8 nations from fulfilling their commitments on schedule by the end of 2004. Despite the break-down in Cancun, however, the G8 nations have pursued bilateral, unilateral and multilateral agreements in order to advance their commitments to the Doha Agenda.

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France		0	
Germany		0	
Italy	-1		
Japan		0	
Russia	-1		
United Kingdom		0	
United States	-1		
Overall			-0.38

### Individual Country Compliance Breakdown:

#### 1. Canada: 0

The government of Canada has taken steps toward compliance with respect to the trade commitments set out at the G8 summit in Evian, France. The inability to comply with the commitment was due to the breakdown of negotiations of the WTO Cancun Ministerial Conference in September 2003. This conference ended without conclusion and was a major setback for Canada as it will be unable to achieve the goals of the Doha Development Agenda before the end of 2004. Canada has, however, made progress in other areas of the Doha

Declaration. Canada “remains committed to the multilateral system and is prepared to re-engage in negotiations” towards achieving the Doha agenda<sup>87</sup>. The Prime Minister’s Office has introduced legislation to enable the export of low-cost pharmaceutical drugs in their fight against HIV/AIDS, malaria, tuberculosis, and other diseases in developing countries. It has also taken a leadership role by negotiating with the WTO, the World Health Organization (WHO), the World Intellectual Property Organization (WIPO), and other countries to develop effective international means for accessing low cost pharmaceutical products<sup>88</sup>. In addition, it has also contributed technical assistance and capacity building funding of over \$500 million to date.<sup>89</sup>

In January 2004, Trade Minister Jim Peterson met with U.S. Trade Representative Robert Zoellick in Washington, as well as with European Union Trade Commissioner Pascal Lamy in Brussels, to discuss ways of moving the negotiations forward. In addition, support for the Doha Round of negotiations was one of many items discussed by Minister Peterson and Commissioner Lamy during the Canada-European Union Summit that took place on March 18, 2004.<sup>90</sup>

## **2. France: 0**

The result of France’s performance since January 2003 is divided in areas of agriculture subsidy, co-operation with Africa, access of drugs for developing countries, and contribution for technical assistance to lesser developed countries. In the area of agriculture, for example, France had made very little progress in reforming the European Union’s problematic Common Agriculture Policy, which was one of the main factors contributing to the breakdown at the Cancun Ministerial Conference.<sup>91</sup> French minister for agriculture, food, fisheries, and rural affairs, Hervé Gaymard, reaffirmed just before the Cancun meeting that the reformed CAP must first benefit French farmers. Mr. Gaymard argued that despite the public stereotypical sympathy, “les relations agricoles ne sont pas toujours défavorables au Sud”<sup>92</sup> (translated: “agricultural relations are not always unfavorable to the South”). Additionally, Mr. Gaymard considers that EU intervention in agricultural subsidies is to compensate the farmers’ social and environmental efforts, and to maintain their rural identity.<sup>93</sup> Even after the breakdown of the Cancun meeting, France’s reluctance in abolishing agricultural subsidies still held strong. In President Chirac’s speech for the opening of the “Forum pour le Partenariat avec l’Afrique”, he suggested that this Forum should re-examine the propositions that France and the European Union had presented in

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<sup>87</sup> Department of Foreign Affairs and International Trade. World Trade Organization: Summary of the WTO 5th Ministerial Conference.

[www.dfait-maeci.gc.ca/tna-nac/WTO/summary-en.asp](http://www.dfait-maeci.gc.ca/tna-nac/WTO/summary-en.asp)

<sup>88</sup> Department of Foreign Affairs and International Trade. Government of Canada introduce legislative changes to enable export of much-needed, lower-cost pharmaceutical product to developing countries, November 6, 2003. [webapps.dfait-maeci.gc.ca/minpub/Publication.asp?FileSpec=/Min\\_Pub\\_Docs/106589.htm&Language=E](http://webapps.dfait-maeci.gc.ca/minpub/Publication.asp?FileSpec=/Min_Pub_Docs/106589.htm&Language=E)

<sup>89</sup> Department of Foreign Affairs and International Trade. World Trade Organization: Canada and the WTO, September 26, 2003. [www.dfait-maeci.gc.ca/tna-nac/wto-co-en.asp](http://www.dfait-maeci.gc.ca/tna-nac/wto-co-en.asp)

<sup>90</sup> Department of Foreign Affairs and International Trade. (WTO) World Trade Negotiations, Current Negotiations. [www.dfait-maeci.gc.ca/tna-nac/WTO/bulletin2004-en.asp](http://www.dfait-maeci.gc.ca/tna-nac/WTO/bulletin2004-en.asp), May 15, 2004.

<sup>91</sup> G8 News Online, "Europe holds the key," The Guardian, October 27, 2003

<sup>92</sup> France Diplomatie. "Discours de M. Hervé Gaymard, ministre de l'Agriculture, de l'Alimentation, de la Pêche et des Affaires Rurales." 28 August 2003. <[www.diplomatie.gouv.fr/actu/article.asp?ART=36726](http://www.diplomatie.gouv.fr/actu/article.asp?ART=36726)>

<sup>93</sup> *ibid.*

Cancun.<sup>94</sup>

Despite the debate on agricultural subsidies, France has shown increasing efforts in working towards one of the goals set out in the Doha Development Agenda: co-operating with Africa. In November 2003, the “Forum pour le Partenariat avec l’Afrique” was hosted in Paris under President Chirac’s initiative.<sup>95</sup> President Chirac emphasized the importance of partnership, not assistantship. He also demonstrated the willingness of France to take an initiative in pushing ahead with NEPAD.<sup>96</sup> In addition, President Chirac made several state visits to African countries including Morocco, Nigeria, Mali, and Tunisia in the past six months.<sup>97</sup> France has also made several public reaffirmations in its willingness to achieve the Doha Agenda with respect to the fight against corruption, promotion of trade investment, and the opening of trade access for non-agricultural goods. As well, France reaffirmed its support for giving developing countries access to drugs and medications as outlined in the Cancun meeting. Although no agreement was reached at Cancun, the spokesperson for Quai d’Orsay declared that France will work with other members of the EU to find a solution. Nonetheless, the true effect of this public reaffirmation is hard to evaluate given that there are no concrete plans or information available to date.<sup>98</sup> In terms of providing financial assistance to lesser developed countries, France confirmed in October 2003 that a donation of 100,000 Euros would be used to implement the Agreement on the Application and Phytosanitary Measures (SPS Agreement). This donation was considered an important gesture by the French government.<sup>99</sup>

President Jacques Chirac confirmed in April 2004 that France would contribute an extra \$50 billion necessary each year to the creation of an International Finance Facility to achieve the Millennium Goals.<sup>100</sup> In addition, he also commissioned a high level international tax/working group on international contributions to finance development, with the goal of studying the impact of international tax systems, and possibly to develop a system to benefit sustainable development.<sup>101</sup> France had also signed the ‘Pact Mondial’ in finance and trade, signaling the commitment to fight corruption and to promote transparency for a more responsible economy

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<sup>94</sup> Le Palais de l’Elysée. “Intervention de M. Jacques Chirac, Président de la République Française à l’occasion de la première réunion du Forum pour le Partenariat avec l’Afrique”. 10 November 2003. <[www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur\\_file=discours/2003/D031110.html](http://www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur_file=discours/2003/D031110.html)>

<sup>95</sup> *ibid.*

<sup>96</sup> *ibid.*

<sup>97</sup> Le Palais de l’Elysée. “Déplacement à l’étranger en 2003”.

<[www.elysee.fr/magazine/deplacement\\_etrange/sommaire.php?annee=2003](http://www.elysee.fr/magazine/deplacement_etrange/sommaire.php?annee=2003)>

<sup>98</sup> France Diplomatie. “Déclaration du porte-parole adjoint du Quai d’Orsay, OMC/Accès des pays en développement aux médicaments.” 1 September 2003 < [www.diplomatie.gouv.fr/actu/article.asp?ART=36781](http://www.diplomatie.gouv.fr/actu/article.asp?ART=36781)>

<sup>99</sup> World Trade Organization. “France donates 100,000 euros to WTO technical assistance.” 22 October 2003. <[www.wto.org/english/news\\_e/pres03\\_e/pr361\\_e.htm](http://www.wto.org/english/news_e/pres03_e/pr361_e.htm)>

<sup>99</sup> American Embassy in London “Zoellick Meetings in Europe Aim to Advance WTO Negotiations”. [www.usembassy.org.uk/trade402.html](http://www.usembassy.org.uk/trade402.html)

<sup>100</sup> Le Palais de l’Elysée. “Message from M. Jacques Chirac, at the Opening of the Ministerial Forum on financing for Development”. 8 April 2004. [www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur\\_file=discours/2004/UK040408.html](http://www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur_file=discours/2004/UK040408.html)

<sup>101</sup> *ibid.*

and market.<sup>102</sup> In the interim, France continues to support NEPAD, notably through enhanced dialogues with several African leaders. Earlier this year, President Chirac met with the President of Niger, and promised 10 million Euros for the development of the Authorities of Niger Basin.<sup>103</sup>

While active in international finance regulation and co-operation with Africa, France has failed to make any progress in the abolition of agricultural subsidies. In a recent interview with a French journalist, President Chirac reaffirmed that his government's priorities remain in ensuring the well being of French farmers, and rejected the notion that developing country poverty is a direct result of agricultural subsidies.<sup>104</sup>

### 3. Germany: 0

Germany has demonstrated an interest in moving past the deadlock resulting from the Cancun Ministerial. Germany was actively involved in the EU's proposal to unbundle the Singapore issues in order to deal with them on an individual basis. It was suggested that the issues of competition and investment be removed to create a narrower agenda that would be more amenable to agreement, indicating a willingness of Germany [the EU] to lower trade barriers with the South.<sup>105</sup> Germany and the EU continue to express the need for the Singapore Issues to be dealt with under the auspices of the WTO, however, it also asserts that trade facilitation and transparency in government procurement are its priorities.<sup>106</sup>

Germany has also developed bilateral arrangements with individual developing countries such as Azerbaijan, attempting to alleviate poverty in the country through the promotion of market economic reforms and poverty alleviation. For 2004-2005, the German Development Industry pledged a further 17 million Euros for Azerbaijan.<sup>107</sup> Germany has, however, failed, along with the rest of the EU, to make any real attempts to break the impasse over agricultural subsidies. Germany believes that other countries have a responsibility to make agricultural concessions given its demonstrated commitment to serious agricultural negotiations through the elimination of export subsidies on products of interest to developing countries. The EU asserts that a reciprocation of these concessions is required in order to move the negotiations forward by

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<sup>102</sup> Le Palais de l'Elysée. "Discours de M. Jacques Chirac, A l'occasion de la réunion des entreprises signataires du pacte mondial." 27 January 2004. [www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur\\_file=discours/2004/PM040127.html](http://www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur_file=discours/2004/PM040127.html)

<sup>103</sup> Le Palais de l'Elysée. "Point de Presse Conjoint" 26 April 2004. [www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur\\_file=discours/2004/PP040426.htm](http://www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur_file=discours/2004/PP040426.htm)

<sup>104</sup> Le Palais de l'Elysée. "Interview de Monsieur Jacques Chirac, accordée à des journalistes de France Agricole". 27 February 2004. [www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur\\_file=discours/2004/IW040227.html](http://www.elysee.fr/cgi-bin/auracom/aurweb/search/file?aur_file=discours/2004/IW040227.html)

<sup>105</sup> Bernard Hoekman and Richard Newfarmer. "Trade Note: After Cancun: Continuation or Collapse" The World Bank Group, International Trade Department. December 17, 2003. p. 7. [siteresources.worldbank.org/INTRANETTRADE/Resources/Pubs/TradeNote13.pdf](http://siteresources.worldbank.org/INTRANETTRADE/Resources/Pubs/TradeNote13.pdf)

<sup>106</sup> Pascal Lamy, EU Trade Commissioner. "EU Trade Policy Priorities- Post Cancun" Address to the Bavarian Industry Association. Munich, 14 January, 2004. p. 2. [trade-info.cec.eu.int/doclib/docs/2004/january/tradoc\\_115584.pdf](http://trade-info.cec.eu.int/doclib/docs/2004/january/tradoc_115584.pdf)

<sup>107</sup> Press News. "Germany helps Azerbaijan with market economic reforms." 28 April, 2004. [www.bmz.de/en/press/pressemitteilungen/presse200404282.html](http://www.bmz.de/en/press/pressemitteilungen/presse200404282.html)

recognizing how much the EU has already conceded in agriculture.<sup>108</sup> Pascal Lamy, the EU Trade Commissioner, outlined a proposal that would cut import tariffs by more than a third, eliminate export subsidies for products of interest to developing countries, and reduce by more than half trade distorting farm subsidies, ensuring that developing countries receive an even better deal. This proposal, however, is accompanied by the assertion that the CAP is central to the rural economy society of the EU, and will not be totally dismantled.<sup>109</sup> The position of the EU has not changed substantially, and continues to act as an impediment to reaching an agreement with developing countries and allowing for progress in meeting the Doha Development Agenda. Aside from recognizing the importance of dealing with each of the Singapore Issues separately, there have been no real movements aimed at adopting a position acceptable to the developing countries — something which is necessary in order to breach the impasse. The EU continues to stress the importance of South-South trade, claiming that more barriers to trade lie among the Least Developed Countries (LDCs) than between developed and developing countries. This approach is one that clearly binds the EU together in solidarity on the issue of subsidies.<sup>110</sup>

#### **4. Italy: -1**

The result of Italy's performance on this issue has been disappointing. Italian Prime Minister Silvio Berlusconi has publicly announced that the Doha Agenda will be completely by January 1st, 2005,<sup>111</sup> yet there is no information available to indicate that Italian government has taken appropriate or sufficient actions to meet this goal. Obviously, the breakdown of the Cancun meeting signified a partial failure of the G8 commitment on trade. Italy, along with other members of the EU, did not ensure that the Cancun Ministerial Conference would take all the necessary decisions to help reach the goals of the Doha Agenda. There have been neither political reaffirmations nor budgetary allocations that suggest that Italy intends to comply with this commitment in the future.

#### **5. Japan: 0**

It is very difficult to assess progress made on a commitment as broad as advancing the Doha development round of the WTO, especially in light of the failed trade talks taking place in Cancun, Mexico in September 2003. With the support of the IMF and the World Bank, there was another round of meetings in Geneva in December 2003 which aimed to restore the talks and discuss controversial agricultural proposals which caused the Cancun ministerial to end without resolution. However, despite these good intentions, little was achieved at this meeting. Members

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<sup>108</sup> Pascal Lamy, EU Trade Commissioner. "EU Trade Policy Priorities- Post Cancun" Address to the Bavarian Industry Association. Munich, 14 January, 2004. p. 2.  
[trade-info.cec.eu.int/doclib/docs/2004/january/tradoc\\_115584.pdf](http://trade-info.cec.eu.int/doclib/docs/2004/january/tradoc_115584.pdf)

<sup>109</sup> Pascal Lamy, EU Trade Commissioner. "WTO: The Road Ahead" Address to CII Conference, New Dehli. 19 January, 2004.

<sup>110</sup> Pascal Lamy, EU Trade Commissioner. "WTO: The Road Ahead" Address to CII Conference, New Dehli. 19 January, 2004.

<sup>111</sup> Ministero dell'Economia e della Finanze. "Documento di Programmazione Economico-Finanziaria. per gli anni 2003-2006" <[www.governo.it/GovernoInforma/Dossier/dpef2003/DPEF\\_2003\\_2006.pdf](http://www.governo.it/GovernoInforma/Dossier/dpef2003/DPEF_2003_2006.pdf)>

including Japan indicated that they are willing to restart work in the negotiating groups, but a major breakthrough remains to be seen.<sup>112</sup>

In global trade practice, goods are deemed dumped if it can be shown that they are being exported at artificially low prices — perhaps to corner a market and undermine national producers. Japan, united with the EU and several other developed and developing countries, faces a potential tariff conflict with the United States against the Byrd amendment, which they claim encourages U.S. manufacturers to launch self-serving anti-dumping cases against imports of competing goods.<sup>113</sup> Furthermore, in light of the recent discovery of cows infected with Bovine Spongiform Encephalopathy — or Mad Cow Disease, Japan was one of the first countries to close its doors to American beef, thus worsening trade relations between the two countries. Despite a commitment to the Doha agenda, both within the WTO and other fora such as the IMF, World Bank, and OECD, Japan retains 500 per cent import tariffs on rice,<sup>114</sup> tariff escalation on processed foods, and other restrictions such as sanitary and phyto-sanitary procedures, and state management of certain agricultural products.<sup>115</sup>

While tariffs remain high, Japan has undergone domestic reforms that are in line with its commitment internationally to the Doha process. Japan's development cooperation program has undergone major reforms and significant restructuring. Its Official Development Assistance (ODA) Charter was revised in 2003 to reflect Doha priorities. The legal status of the Japan International Cooperation Agency (JICA) was changed to become more autonomous, and the Ministry of Foreign Affairs (MOFA) has become the *de jure* coordinating body for the diverse implementing institutions of ODA. Furthermore, Japan has taken the initiative of hosting several international conferences on development including TICAD III, the Tokyo International Conference for African Development in which the key issues of agricultural subsidies were discussed.<sup>116</sup>

During the early part of 2004, United States Trade Representative Robert Zoellick indicated that Japan was likely moving along with the European Union to accept negotiations on trade facilitation including customs reform. The progress of negotiations is also optimistic on the Singapore Issues.”<sup>117</sup>

## 6. Russia: -1

Russia has failed to comply with the commitment, as it has made no efforts to further the Doha Development Agenda. Russia has made attempts to form bilateral agreements with other

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<sup>112</sup> “Chair wraps up: negotiating groups can restart, but still no deal on tough issues,” available at: [www.wto.org/english/news\\_e/news\\_e.htm](http://www.wto.org/english/news_e/news_e.htm)

<sup>113</sup> “E.U., Other Nations Gear for Trade Fight with the U.S.,” available at: [www.reuters.com/newsArticle.jhtml?type=topNews&storyID=4046977&pageNumber=0](http://www.reuters.com/newsArticle.jhtml?type=topNews&storyID=4046977&pageNumber=0)

<sup>114</sup> Editorial: “Harvesting Poverty: The Unkept Promise,” The New York Times, December 30, 2003 available at: [www.nytimes.com/2003/12/30/opinion/30TUE1.html](http://www.nytimes.com/2003/12/30/opinion/30TUE1.html)

<sup>115</sup> Japan: DAC Peer Review, Main Findings and Recommendations, available at: [www.oecd.org/document/10/0,2340,en\\_2649\\_201185\\_22579914\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/10/0,2340,en_2649_201185_22579914_1_1_1_1,00.html)

<sup>116</sup> Ibid.

<sup>117</sup> International Information Programs. Farm Market Access Still Obstacle for WTO, USTR says. [usinfo.state.gov/ei/Archive/2004/May/14-644392.html](http://usinfo.state.gov/ei/Archive/2004/May/14-644392.html). May 14, 2004.

countries to improve agricultural co-operation, however, these agreements focus on the development of Russia, not LDCs.<sup>118</sup> Russia has also made attempts to foster inter-regional trade. This is evident in its signing of the Asian Highway Agreement, along with India and 25 other countries. The project is “a multi-pronged 140,000 kilometer highway corridor connecting 32 countries and linking Europe to Asia” in an effort to increase trade and tourism.<sup>119</sup> While this is a genuine effort to improve regional well being, this initiative ignores the importance of multilateral trade negotiations in furthering development. Russia has also worked to toughen intellectual property protection domestically. The Federal Agency for Protecting Intellectual Property is in the process of creating “a package of measures against violations and offences in this sphere” by combining state regulation and market mechanisms through the criminalization of offences against international property rights, as well as an attempt to harmonize with international standards.<sup>120</sup> Overall, Russia has neglected the main issues associated with the Doha Development Agenda, and has concentrated on furthering its own development over that of LDCs. Russia was also ineffective in furthering the Doha Development Agenda as a result of its inability to restart the defunct Cancun Ministerial Conference negotiations, and is exacerbating the current state of conflict in its refusal to reduce agricultural subsidies.

## 7. United Kingdom: 0

The British government has called recent reforms to the Common Agricultural Policy ‘a welcome but only small step in the right direction’ as review of the reform has shown that it ‘will not tackle directly export subsidies’.<sup>121</sup> Calls from UK officials for more agricultural concessions from their EU counterparts failed and as a result the rejection of the limited reforms offered in the joint EU-US proposal at Cancun in September has precluded a ‘substantial opening of trade in all areas’.<sup>122</sup> The British government was also unsuccessful in its attempts before the ministerial meeting in Cancun to down-play the importance of the Singapore issues, which — with agriculture — were to cause much disagreement during talks in September.<sup>123</sup> The UK has been more successful in fulfilling in commitments independently on the EU, as it has promised £50 million ‘to help developing countries trade their way out of poverty’.<sup>124</sup> It has also ‘welcomed the agreement on easier access to cheap medicines’ which created on schedule before the Cancun Ministerial meeting.<sup>125</sup> However, the UK has not prevented failed negotiations at

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<sup>118</sup> Embassy of the Russian Federation in Canada. News and Events: February-March, 2004. [www.rusembcanada.mid.ru/](http://www.rusembcanada.mid.ru/)

<sup>119</sup> United Nations Economic and Social Commission for Asia and the Pacific. Press Release No: G/12/2004 “Ministers give full support to UN’s work in the region: Shanghai Declaration promotes strategies to fight poverty, improve health.” April 28, 2004 [www.unescap.org/unis/press/2004/apr/g12.asp](http://www.unescap.org/unis/press/2004/apr/g12.asp)

<sup>120</sup> Itar-Tass. “Authorities finalizing measures to protect intellectual property” Moscow, 8 May, 2004. [www.itartass.com/eng/level2.html?NewsID=792563&PageNum=0](http://www.itartass.com/eng/level2.html?NewsID=792563&PageNum=0)

<sup>121</sup> Department for International Development, UK, “Trade and Development at the WTO: Issues for Cancun”, p.3+26. <[www.publications.parliament.uk/pa/cm200203/cmselect/cmintdev/400/400.pdf](http://www.publications.parliament.uk/pa/cm200203/cmselect/cmintdev/400/400.pdf)>.

<sup>122</sup> G8 Information Centre, “Co-operative G8 Action on Trade,” 2 June 2003, <[www.g8.utoronto.ca/summit/2003evian/trade\\_en.html](http://www.g8.utoronto.ca/summit/2003evian/trade_en.html)>.

<sup>123</sup> The Guardian Unlimited, “Talks Dead in the Water,” 15 September 2003. [www.guardian.co.uk/leaders/story/0,3604,1042096,00.html](http://www.guardian.co.uk/leaders/story/0,3604,1042096,00.html).

<sup>124</sup> Department for International Development, UK, “UK pledges £50m to help developing countries trade their way out of poverty,” 11 September 2003, <[62.189.42.51/DFIDstage/News/PressReleases/files/pr\\_11sept03.html](http://62.189.42.51/DFIDstage/News/PressReleases/files/pr_11sept03.html)>.

<sup>125</sup> Department of Trade and Industry, UK, “Trade Minister Welcomes Deal On Cheaper Medicines,” 1 September 2003, <[213.38.88.221/gnn/national.nsf/TI/C5AE61121AA22D1C80256D9400380D68?opendocument](http://213.38.88.221/gnn/national.nsf/TI/C5AE61121AA22D1C80256D9400380D68?opendocument)>.



Cancun and again in Geneva in December and so has not fulfilled its commitment of helping to complete the goals set out in the Doha Development Agenda by the end of 2004.

## **8. United States: -1**

The United States has met with little success in compliance with the trade commitments set out at the G8 summit in Evian, France. This failure is largely due to the unsuccessful negotiations of the WTO Cancun Ministerial Conference. Disagreements remain in several key outstanding issues including agriculture subsidies, non-agricultural market access in the trade of cotton, and the Singapore Issue which includes increased competition, investment, trade facilitation, and government transparency<sup>126</sup>. This conference ended without conclusion and was a setback for the United States as it will be unable to achieve the goals of the Doha Development Agenda before the end of 2004<sup>127</sup>. The United States remains committed to the Doha agenda, and has proposed to liberalize agricultural and non-agricultural tariffs by eliminating trade barriers, but has yet to implement or introduce legislation to advance these goals<sup>128</sup>. It has also failed to comply with the WTO Appellate Body ruling against provision of its antidumping duty law, referred to as the “Byrd Amendment”<sup>129</sup>. The United States has, however, made progress in the facilitation of global trade by contributing \$700 million dollars to help developing countries increase their trade capacities by opening their markets to international trade.<sup>130</sup>

In 2004, efforts have also been made by the U.S. to progress on trade obstacles in the cotton industry. Selected development agencies, the EU and the US will be meeting later this year to discuss how to implement the outcomes of a recent cotton workshop, in coordination with a representative from the African cotton producing countries. Consultations on the trade policy aspects are underway both in Geneva and between high-level officials from cotton producing countries and their counterparts in their major export markets — the EU and US. It remains evident that the optimum path for making headway on the trade policy aspects of the cotton issue lies through agriculture negotiations.<sup>131</sup>

Compiled by:

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<sup>126</sup> Department of Foreign Affairs and International Trade. World Trade Organization: Summary of the WTO 5<sup>th</sup> Ministerial Conference. [www.dfait-maeci.gc.ca/tna-nac/WTO/summary-en.asp](http://www.dfait-maeci.gc.ca/tna-nac/WTO/summary-en.asp)

<sup>127</sup> Zoellick, Robert. Press Releases: Information for Press in Cancun – Final Press Conference. WTO, Cancun, September 14, 2003. [www.ustrade-wto.gov/trzoellick0914.html](http://www.ustrade-wto.gov/trzoellick0914.html)

<sup>128</sup> Office of the United States Trade Representative. Trade in Cotton, Man-Made Fibers, Textiles and Clothing, September 9, 2003. [www.ustrade-wto.gov/fscotton0910.html](http://www.ustrade-wto.gov/fscotton0910.html)

<sup>129</sup> U.S. Department of State. USTR Seeks to Comply with WTO Ruling on Byrd Amendment, January 16th, 2003. [usinfo.state.gov/topical/econ/wto/03011601.htm](http://usinfo.state.gov/topical/econ/wto/03011601.htm)

<sup>130</sup> Office of the United States Trade Representative. Press Release: United States Issues Report on \$750 Million in Global Trade Capacity Building Aid, September 9, 2003. [www.ustrade-wto.gov/news03090902.html](http://www.ustrade-wto.gov/news03090902.html)

<sup>131</sup> World Trade Organization. Address by the Director-General to Third LDC Trade Minister’s Meeting. [www.wto.org/english/news\\_e/spsp\\_e/spsp26\\_e.htm](http://www.wto.org/english/news_e/spsp_e/spsp26_e.htm), May 4 2004.

## 2003 Evian Final Compliance Report Development: Official Development Assistance

### Commitment

2003 — 15: “We welcomed the report of our Finance Ministers’ discussions on our increased resources and on financing instruments. We invite them to report back to us in September on the issues raised by the financing instruments, including the proposal for a new International Finance Facility”.

### Background

Official Development Assistance is required to address the needs of the world’s least developed countries (LDCs). Geared towards basic social services such as health, education, transportation, housing, safe water and nutrition, tied and untied ODA is crucial to the development of the majority of the world’s population, as outlined in the United Nations Millennium Declaration (2000) and the Monterrey Consensus (2002). G8 countries bear the majority of the world’s wealth and share a responsibility to reduce global poverty for the benefit of all. Each G8 member has committed to achieve ODA/GNP levels of 0.7 percent, yet each donor country remains below the target. The Organization for Economic Co-operation and Development (OECD) notes that ODA from G7 countries has fallen about US\$15 billion since 1992, a reduction of almost 30%. Evian resulted in the above commitment to fight global poverty and to help developing countries achieve the development goals set out in the Millennium Declaration.

While ODA in the G8 member countries remains below set targets, these scores represent the countries’ compliance with the commitment as outlined above. The September 2003 meeting of the Finance Ministers in Dubai fulfills the first part of the commitment and, in the official communiqué issued by the Finance Ministers, affirm that they have discussed “financing issues and results based measurement” and that they have requested “the IMF and the World Bank to do further work on aid effectiveness, absorption capacity, financing facilities and results-based measurement mechanisms, and report at the Annual Meetings in September 2004.”<sup>132</sup>

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		0	
United Kingdom			+1
United States			+1
Overall			+0.88

<sup>132</sup> G7 Finance Minister and Central Bank Governors, “Statement of G7 Finance Ministers and Central Bank Governors,” September 20, 2003, Dubai, [www.g8.utoronto.ca/finance/fm030920.htm](http://www.g8.utoronto.ca/finance/fm030920.htm).

## Individual Country Compliance Breakdown:

### 1. Canada: +1

In January 2004, Canadian Minister for International Cooperation, Aileen Carroll, stressed Canada's commitment of attaining the Millennium Development Goals, particularly through increased levels and more efficient use of aid monies, and increased international donor coordination.<sup>133</sup> Canada continues to pledge at least half of new aid resources to Africa and remains committed to fostering sustainable development throughout the developing world.

Canadian Prime Minister Paul Martin's Speech from the Throne in February 2004 emphasized the need to foster multilateral institutions that "work" and greater collaboration between states to "ensure that economic policies go hand in hand with stronger social programs to alleviate hunger, poverty, and disease, and to help to raise the standards of living in developing countries".<sup>134</sup>

Canada's March 2004 Budget Plan outlines an 8 percent increase in international assistance already provided for 2004-05 in the 2003 budget, resulting in an additional CDN\$248 million for 2005-06.<sup>135</sup>

### 2. France: +1

On May 2, 2004, President Jacques Chirac declared that France was supportive of the United Kingdom's idea of an International Finance Facility designed to raise the extra \$50 billion necessary each year to achieve the Millennium Goals.<sup>136</sup> French official development assistance will be centered on enhanced solidarity, which means encouraging foreign direct investment in the countries of the South, setting out more equitable trade rules and creating more public-private partnership.<sup>137</sup> The National Assembly made commitments to bring France's overall ODA to 0.5% in the next five years. ODA is to be channeled towards food security and disease control.<sup>138</sup>

### 3. Germany: +1

Germany is the third largest donor among G8 countries after Japan and the United States. The implementation of the German government's political commitment to uphold an ODA level consistent with the United Nation's 0.7 % target ratio remains constrained by the government's

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<sup>133</sup> Canadian Minister for International Cooperation Aileen Carroll, "Towards Greater Coordination," 29 January 2004, Strasbourg, May 2004 <[www.acdi-cida.gc.ca](http://www.acdi-cida.gc.ca)>.

<sup>134</sup> Canadian Prime Minister Paul Martin, "Speech from the Throne," 2 February 2004, Ottawa, May 2004 <[pm.gc.ca/eng/sft-ddt.asp](http://pm.gc.ca/eng/sft-ddt.asp)>.

<sup>135</sup> Canadian Ministry of Finance, "Budget 2004 – Budget Plan, The Importance of Canada's Relationship to the World," 23 March 2004, Ottawa, May 2004 <[www.fin.gc.ca/budget04/bp/bpc4ee.htm](http://www.fin.gc.ca/budget04/bp/bpc4ee.htm)>.

<sup>136</sup> Office of the President of the Republic, "Message from Jacques Chirac, President of the Republic at the Opening of the Ministerial Forum on Financing for Development." <[www.elysee.fr/ang/rech/rech\\_.htm](http://www.elysee.fr/ang/rech/rech_.htm)>.

<sup>137</sup> Office of the President of the Republic, "Address by Jacques Chirac, President of the Republic to the meeting of Global Compact Signatory Companies." <[www.elysee.fr/ang/rech/rech\\_.htm](http://www.elysee.fr/ang/rech/rech_.htm)>

<sup>138</sup> The National Assembly, "Débat sur la participation à l'aide au développement en Afrique" <[www.assemblee-nationale.fr/12/cr/2002-2003/20030192.asp](http://www.assemblee-nationale.fr/12/cr/2002-2003/20030192.asp)>.

overall national objective of balancing the federal budget by 2006.<sup>139</sup> Germany's current ratio is 0.3%. Germany does not currently have a mechanism to neither establish an overall system for ODA allocations nor target effectively any ODA/GNI ratio. Its ODA allocation is directed at low-income countries including India, China and Indonesia. Germany's main sectoral priorities include large infrastructure projects, support institutional capacity building, and private sector development.

#### **4. Italy: +1**

Italy met this commitment by attending the G7 Finance Ministers' meeting in Dubai in September.<sup>140</sup> Since January 2004, Italy has attended 3 further meetings with the G7 finance ministers.<sup>141</sup> At these meetings, the ministers have collectively asserted the possible need for the restructuring of aid. From March 4 — 6, Italy hosted the International Forum on Partnerships for Sustainable Development in Rome. The meeting stressed the importance of partnerships in order to attain sustainable development goals and the possibility of utilizing "innovative financial mechanisms."<sup>142</sup> In terms of Italy's ODA, contrary reports exist. On 23 October 2003, Marcello Spatafora, Permanent Representative of Italy to the UN, reported that Italy had committed 0.21% of its GNI in 2003 towards ODA, up from 0.20% the previous year.<sup>143</sup> However in a preliminary report published by The OECD in April of 2004, Italy's ODA in fact decreased by -16.7% in 2003, comprising only 16% of its GNI<sup>144</sup>. Nevertheless, Italy continues to assert that it will meet its millennium goal of reaching an ODA level of 0.33% by 2006.

#### **5. Japan: +1**

Japan's ODA general account budget fell by 3.2 percent from 516.5 billion yen in 2003 to 500.1 billion yen in 2004.<sup>145</sup> Japan's ODA operation budget also declined, falling by 4.8 percent from 857.8 billion yen in 2003 to 816.9 billion yen in 2004.<sup>146</sup>

Japanese Prime Minister Junichiro Koizumi's General Policy Speech to the 159<sup>th</sup> Session of the Diet in January 2004 emphasized the strategic use of ODA to help developing countries

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<sup>139</sup> "Germany: Development Cooperation Review: Main Findings and Recommendations" [www.oecd.org](http://www.oecd.org)

<sup>140</sup> "Statement of G7 Finance Ministers and Central Bank Governors," Dubai, United Arab Emirates. September 20, 2003.

<sup>141</sup> For documentation of the meetings see: [www.g7.utoronto.ca/finance/index.htm](http://www.g7.utoronto.ca/finance/index.htm).

<sup>142</sup> Marcello Spatafora, Permanent Representative to the United Nations, "Letter from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General" April 8th 2004. <[ods-dds-ny.un.org](mailto:ods-dds-ny.un.org)>

<sup>143</sup> Marcello Spatafora, Permanent Representative to the United Nations, "Letter from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General," October 20, 2003. <[ods-dds-ny.un.org](mailto:ods-dds-ny.un.org)>

<sup>144</sup> Organization for Economic Co-operation and Development: Development Assistance Committee, "ODA Statistics for 2003 and ODA Outlook" 14 April, 2004. [www.oecd.org/dataoecd/40/63/31508396.pdf](http://www.oecd.org/dataoecd/40/63/31508396.pdf)

<sup>145</sup> Japanese Ministry of Foreign Affairs, "General Account Budget, ODA Budget for MOFA (FY2003 and FY2004 Budget)," May 2004 <[www.mofa.go.jp/policy/oda/budget/2004.html](http://www.mofa.go.jp/policy/oda/budget/2004.html)>.

<sup>146</sup> Japanese Ministry of Foreign Affairs, "Operational Budget, ODA Budget for MOFA (FY2003 and FY2004)," May 2004 <[www.mofa.go.jp/policy/oda/budget/2004.html](http://www.mofa.go.jp/policy/oda/budget/2004.html)>.

overcome poverty, achieve sustainable growth, and solve global concerns within the framework of human security.<sup>147</sup>

## **6. Russia: 0**

Russian Finance Minister Alexei Kudrin argued recently that “Russia is a key player in the world” and acts as a “coordinator” in dealing with regional crises and that its influence explained its involvement in stabilization efforts in Afghanistan and Yugoslavia and its mediation in the Israeli-Palestinian conflict. In addition, Kudrin said, “we have turned out to be one of the world’s main creditors. Russia accounts for the largest debts owed by some of the poorest countries”, which is why Russia was invited into the Paris Club of creditors, where it “takes part in partially relieving the burdens” of poorer countries.<sup>148</sup> The minister also confirmed that Russia is an indirect donor of assistance to Afghanistan and its “rather humanitarian assistance” in the form of machine, automobile and medicines supplies. Iraqi debt-settlement negotiations will be held this year, the finance minister said.<sup>149</sup> Russia has already prepared proposals for writing off part of the Iraqi debt in arms supplies. Russia is planning to write off one third of Iraqi’s debt of over eight billion dollars owed by this country.

## **7. United Kingdom: +1**

The 2004-05 Department for International Development (DFID) spending review notes that the United Kingdom will increase to £4.9 billion, 0.4% of the Gross National Income. The United Kingdom’s new ODA target will be an increase by £1.5 billion from 2003-04.<sup>150</sup> The increase in ODA indicates a strong move towards the UN target ratio of ODA. DFID has created a new Public Service Agreement (PSA) to ensure that increased spending results in demonstrable improvements in the lives of the poorest people. The PSA is built around the Millennium Development Goals and sets targets for 2006. It focuses, in particular, on partners in Africa and Asia and sets targets for improvements to health, education and improving trade access.<sup>151</sup>

## **8. United States: +1**

The FY 2005 Budget of the United States Government requests \$2.5 billion for the new Millennium Challenge Account (MCA). The MCA marks a first step towards the President’s commitment of an annual \$5 billion in development assistance by 2006. This commitment is an increase by \$1.2 billion from 2004.<sup>152</sup> In the FY 2005 Budget, President Bush outlines a proposal

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<sup>147</sup> Japanese Prime Minister Junichiro Koizumi, “General Policy Speech by Prime Minister Junichiro Koizumi to the 159th Session of the Diet,” 19 January 2004, Tokyo, May 2004  
<[www.kantei.go.jp/foreign/koizumispeech/2004/01/19sisei\\_e.html](http://www.kantei.go.jp/foreign/koizumispeech/2004/01/19sisei_e.html)>.

<sup>148</sup> Daily News Bulletin, Apr 1.

<sup>149</sup> RIA Novosti, Apr 1

<sup>150</sup> Department for International Development, “2004-05 Spending Review” <[www.official-documents.co.uk/document/cm55/5570/5570-14.htm#muscat\\_highlighter\\_first\\_match](http://www.official-documents.co.uk/document/cm55/5570/5570-14.htm#muscat_highlighter_first_match)>.

<sup>151</sup> Department for International Development, “2004-05 Spending Review” <[www.official-documents.co.uk/document/cm55/5570/5570-14.htm#muscat\\_highlighter\\_first\\_match](http://www.official-documents.co.uk/document/cm55/5570/5570-14.htm#muscat_highlighter_first_match)>.

<sup>152</sup> Office of Management and Budget, “Budget of the United States Government FY 2005”  
[www.whitehouse.gov/omb/budget/fy2005/state.html](http://www.whitehouse.gov/omb/budget/fy2005/state.html)

to increase free trade agreements with Morocco and Central American countries. Bush believes that free trade agreements will assist in bringing developing countries out of poverty.<sup>153</sup>

## **9, \*European Union: +1**

At the 58th General Assembly of the UN, Italian Prime Minister and EU President, Silvio Berlusconi, stated that “The EU has taken on a financial commitment, in line with the Monterrey objectives, to increase development assistance resources until we reach the target of 0.39% of the- Gross National Product by 2006”.<sup>154</sup> He reiterated the EU’s commitment to Africa and its support for NEPAD. He also stressed the importance of strengthening and updating multilateral institutions under the UN’s framework in order to reach the Millennium Development Goals (MDGs). On 23 October 2003, Marcello Spatafora, Permanent Representative of Italy to the UN, reported that the EU was committed to meeting the OECD/DOA recommendation on the untying of ODA to Least Developed Countries.<sup>155</sup> Since Ireland took over the presidency of the EU in January of 2004, it has also taken steps towards increasing ODA. At a meeting of the EU Development Cooperation Ministers in April of 2004, Minister Tom Kitt, on behalf of the Irish Presidency, stated that it was time for “an internal EU stocktaking of how the EU has contributed to the MDGs,” that would focus on “issues such as increased Overseas Development Aid (ODA), coherence, trade and debt.” Minister Kitt stressed that it was important that such an evaluation took place before the UN meeting on the MDGs, scheduled for 2005.<sup>156</sup>

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<sup>153</sup> Office of Management and Budget, “Budget of the United States Government FY 2005”

<sup>154</sup> Silvio Berlusconi, Prime Minister of Italy and President of the EU, “Statement to the 58th General Assembly of the United Nations.” September 23, 2003 [www.un.org/webcast/ga/58/statements/itaeng030923.htm](http://www.un.org/webcast/ga/58/statements/itaeng030923.htm)

<sup>155</sup> Marcello Spatafora, Permanent Representative to the United Nations, “Letter from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General,” October 20, 2003. [ods-dds-ny.un.org/doc/UNDOC/GEN/N03/578/99/IMG/N0357899.pdf?OpenElement](http://ods-dds-ny.un.org/doc/UNDOC/GEN/N03/578/99/IMG/N0357899.pdf?OpenElement)

<sup>156</sup> Press Release: “Minister Kitt welcomes progress at meeting of EU Development Cooperation Ministers.” 28<sup>th</sup> April, 2004. [www.eu2004.ie/templates/news.asp?sNavlocator=66&list\\_id=623](http://www.eu2004.ie/templates/news.asp?sNavlocator=66&list_id=623)

## 2003 Evian Final Compliance Report Debt: Highly Indebted Poor Countries

### Commitment

2003 — 16: “We reaffirmed the objective of ensuring lasting debt sustainability in HIPC countries and noted that these countries will remain vulnerable to exogenous shocks, even after reaching completion point. In this context, we have asked our Finance Ministers to review by September [2003] mechanisms to encourage good governance and the methodology for calculating the amount of “topping-up” debt relief available to countries at completion point based on updated cost estimates.”

### Background

Proposed by the World Bank and IMF and agreed by governments around the world in 1996, the HIPC Initiative was the first comprehensive approach to reduce the external debt of the world’s poorest, most heavily indebted countries, and represented an important step forward in placing debt relief within an overall framework of poverty reduction.<sup>157</sup> A major review of the program in 1999 resulted in significant enhancements of the original framework, and the establishment of the Poverty Reduction and Growth facility, which outlined pre-agreed structural reforms a program candidate must adhere to in order to qualify.<sup>158</sup> Since that time, good governance has been tied to debt relief.<sup>159</sup> The topping-up of debt relief available to countries at completion point is crucial to ensure that a country remains resistant to exogenous shocks.<sup>160</sup> The HIPC Initiative is a program designed under the framework of the UN Millennium Development Goals and its central objective is the propagation of sustainable development. James Wolfensohn, President of the World Bank, describes the initiative as a “comprehensive way to give countries the possibility of exiting from unsustainable debt. It is very good news for the poor of the world.”<sup>161</sup>

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany		0	
Italy		0	
Japan		0	
Russia		0	
United Kingdom			+1
United States		0	
European Union		0	
Overall			+0.38

<sup>157</sup> World Bank, “The HIPC Debt Initiative”, September 2002, [www.worldbank.org/hipc/about/hipcbr/hipcbr.htm](http://www.worldbank.org/hipc/about/hipcbr/hipcbr.htm).

<sup>158</sup> International Monetary Fund, “Poverty Reduction and Growth Facility Fact Sheet”, [www.imf.org/external/np/exr/facts/prgf.htm](http://www.imf.org/external/np/exr/facts/prgf.htm).

<sup>159</sup> World Bank, “The HIPC Debt Initiative”, September 2002, [www.worldbank.org/hipc/about/hipcbr/hipcbr.htm](http://www.worldbank.org/hipc/about/hipcbr/hipcbr.htm).

<sup>160</sup> World Bank, “Heavily Indebted Poor Countries Initiative”, March 2003, [www.worldbank.org/hipc/hipc-review/Fact\\_Sheet\\_mar03.pdf](http://www.worldbank.org/hipc/hipc-review/Fact_Sheet_mar03.pdf).

<sup>161</sup> Wolfensohn, James D., “The HIPC Debt Initiative”, September 2002, [www.worldbank.org/hipc/about/hipcbr/hipcbr.htm](http://www.worldbank.org/hipc/about/hipcbr/hipcbr.htm).

## Individual Country Compliance Breakdown

### 1. Canada: +1

Since the September 2003 Finance Ministers' meeting in Dubai, Canada has continued to place the onus of "topping-up" of debt relief on the IMF. In a statement to the IMF on April 24, 2004 the Honourable Ralph Goodale, Canadian Minister of Finance urged "the Fund to provide generous debt relief — including full topping up when warranted — in order to ensure that these countries have a better chance to achieve a lasting exit from unsustainable debt."<sup>162</sup>

Canada addressed governance issues by proposing a strengthened country-led IMF surveillance mechanism that would assist HIPC participants on the domestic front to "anchor political leadership".<sup>163</sup> This country-led surveillance mechanism was recommended to allow countries access to the IMF as a guide and monitor of good governance.<sup>164</sup>

### 2. France: +1

On the matter of the promotion of good governance, France echoed the declaration of the G8 Summit in Evian, which included "provisions to promote effective regulation, transparent corporate governance practice, and entrepreneurial conduct imbued with social and environmental concerns."<sup>165</sup> Increased international financial transparency is recommended by France through the appointment of the World Bank as "a trusted third party to certify the actual existence of the given financial flows."<sup>166</sup> Through increased international financial transparency, HIPC Initiative participants would be less vulnerable to exogenous shocks.

France has complied with this debt commitment. In a statement by Mr. Nicolas Sarkozy, Minister of the Economy of France on April 24, 2004, France agreed that additional "topping-up" of debt relief to countries at completion point serves as an opportunity to restore debt sustainability in the long-run and proposes a "financing policy adapted to the situation of each country" past completion point "based upon the quality of its policies and its vulnerability to shocks."<sup>167</sup> This policy would then allow the IMF "to establish in coordination with other donors, a tolerable ceiling for loan financing and to deduce from it the volume of grants needed to cover the financing required to achieve the Millenium Development Goals."<sup>168</sup> France specified coordination among bilateral and multilateral donors as a necessary measure for the achievement of these goals.<sup>169</sup>

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<sup>162</sup> International Monetary Fund, "Statement by the Honourable Ralph Goodale, Minister of Finance of Canada", 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/cane.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/cane.pdf).

<sup>163</sup> Ibid.

<sup>164</sup> Ibid.

<sup>165</sup> International Monetary Fund, "Statement by Mr. Nicolas Sarkozy, Ministre d'Etat, Minister of the Economy, Finance, and Industry of France", 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/frac.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/frac.pdf).

<sup>166</sup> Ibid.

<sup>167</sup> Ibid.

<sup>168</sup> Ibid.

<sup>169</sup> Ibid.



### **3. Germany: 0**

Regarding the encouragement of good governance, Germany has not made any recommendations for mechanisms to encourage good governance, however good governance was stressed as an essential component for the completion of the HIPC Initiative.<sup>170</sup>

On the matter of topping-up of debt relief, Germany has fully complied. In a statement issued on April 24, 2004 by Hans Eichel, Minister of Finance for Germany, Germany pledges to “continue to relieve debt of the eligible countries [those at completion point] in total worth over 6 billion Euros and to raise debt relief adopted by the Paris Club for these countries to 100%.”<sup>171</sup> In addition, Germany continues to echo its September 2003 commitment to the review of the methodology for “topping-up” of debt relief through the IMF.

### **4. Italy: 0**

Italy has partially complied with this commitment. On the matter of the “topping-up” of debt relief, Giulio Tremonti, Minister of the Economy and Finance for Italy, asserts the role of the IMF as the primary institution involved in the support of Low Income Countries to achieve the Millennium Development goals and welcomes the refinement of “the Fund’s instruments and financing.”<sup>172</sup> In line with the review of the IMF’s financing tools, Italy proposes the consideration of “additional bilateral resources” for topping-up.<sup>173</sup>

### **5. Japan: 0**

Japan has shown its commitment to the objectives of the HIPC Initiative in its support of the G7 decision to ask the IFI’s to review the methodology for calculating topping-up of debt relief in September of 2003.<sup>174</sup> However, in a statement to the IMF by H.E. Sadakazu Tanigaki, Minister of Finance for Japan on April 24, 2004, Japan called for a re-evaluation of the role of the IMF in providing long-term debt relief programs.<sup>175</sup> Japan places the obligation of long term financial assistance on the lending banks and stresses that the objective of the IMF is to respond to countries’ temporary balance of payment needs.<sup>176</sup>

### **6. United Kingdom: +1**

In a statement by the Rt. Hon. Gordon Brown, Minister of Finance for the United Kingdom on April 24, 2004, the UK echoes the proposal it made at the Finance Ministers’ meeting in Dubai in September 2003. This proposal called for the creation of an International Finance Facility

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<sup>170</sup> International Monetary Fund, “Statement by Mr. Hans Eichel, Minister of Finance of the Federal Republic of Germany”, 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/deue.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/deue.pdf).

<sup>171</sup> Ibid.

<sup>172</sup> International Monetary Fund, “Statement by the Honourable Giulio Tremonti, Minister of the Economy and Finance for Italy”, 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/itae.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/itae.pdf).

<sup>173</sup> Ibid.

<sup>174</sup> International Monetary Fund, “Statement by the Hon. Toshihiko Fukui”, 23 September 2003, [www.imf.org/external/am/2003/speeches/pr29e.pdf](http://www.imf.org/external/am/2003/speeches/pr29e.pdf).

<sup>175</sup> International Monetary Fund, “Statement by H.E. Sadakazu Tanigaki, Minister of Finance of Japan”. 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/jpne.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/jpne.pdf).

<sup>176</sup> Ibid.

(IFF) that would serve as an investment forum, encourage good governance, and increase donor commitments to the HIPC Initiative: “I ask all governments...to look seriously at our proposal for the International Finance Facility. The IFF is founded upon long-term, binding donor commitments from the richest countries. It builds upon the additional \$16 billion already pledged at Monterrey and it leverages additional money from the international capital markets to raise the amount of development aid for the years to 2015 from \$50 billion per year to \$100 billion per year.”<sup>177</sup>

In the same statement, Rt. Hon. Gordon Brown addresses the matter of topping-up of debt relief and urges the IMF and the World Bank to “make more progress on debt”.<sup>178</sup> The UK recommends the topping-up of debt relief through “aid in the form of grants”.<sup>179</sup>

## **7. Russia: 0**

Regarding the matter of topping-up of debt relief, Aleksei Kudrin, Finance Minister of the Russian Federation speaks out against such practice and expresses his concern that “recent discussions of external shocks and topping-up have increasingly served as a substitute for difficult solutions concerning the links between sound economic policies, debt sustainability, and responsible lending to LIC’s [Low Income Countries] on the part of international financial institutions.”<sup>180</sup> Instead, Russia places the obligation on low-income countries themselves to pursue sound economic strategies and to resolve the domestic roots of their international debt problems. In a statement to the IMF on April 24, 2004, Aleksei Kudrin states: “We believe that the HIPC Initiative and the new strategy to ensure external debt sustainability are only tools and do not guarantee that LDCs will be able to resolve successfully their debt problems. There the main responsibility lies with the LDCs themselves, which should pursue a sensible strategy of attracting new financing and adhere to a responsible growth-oriented economic policy.”<sup>181</sup>

On the matter of the encouragement of good governance, Russia urges the IMF to “improve its analysis of economic growth factors such as implementation of structural reforms, strengthening institutions of governance, and investment of infrastructure development.”<sup>182</sup> Strengthening the institutions of governance would serve as a mechanism for the IMF to reduce the vulnerability of LDCs to exogenous shocks.<sup>183</sup> Finally, Russia stresses the importance of the presence of economic growth, as it is conducive to the resolution of the debt problem.<sup>184</sup>

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<sup>177</sup> International Monetary Fund, “Statement by the Honourable Gordon Brown, Minister of Finance of the United Kingdom”, 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/GBRe.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/GBRe.pdf).

<sup>178</sup> Ibid.

<sup>179</sup> Ibid.

<sup>180</sup> International Monetary Fund, “Statement by Mr. Aleksei Kudrin, Minister of Finance of the Russian Federation”, 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/RUSE.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/RUSE.pdf).

<sup>181</sup> Ibid.

<sup>182</sup> Ibid.

<sup>183</sup> Ibid.

<sup>184</sup> Ibid.

## **8. United States: 0**

In a statement to the IMF on April 24, 2004, the Hon. John Snow, Secretary of the Treasury of the United States of America called for a reassessment of the role of the IMF in low-income countries. While the United States welcomed the HIPC Initiative and agreed that “HIPC debt reduction provides lasting relief aimed at helping countries achieve debt sustainability”, the US declared that such programs do not serve as an exit strategy from IMF borrowing.<sup>185</sup> Instead, the United States declared that the IMF should provide “financial assistance to its poor country members with balance of payments needs” and that development provisions should “come from the development banks and bilateral donors, not the IMF”.<sup>186</sup> Instead of offering recommendations for the current HIPC Initiative, the United States proposed the complete re-evaluation of the program and the of the IMF’s role in low-income countries.

## **9. European Union: 0**

In a statement to the IMF on April 24, 2004, Charlie McCreevy, Chairman of the EU Council of Economic and Finance Ministers, addressed all HIPC Initiative creditor and donor nations and urged them “to provide their share of bilateral debt relief and multilateral financing to the initiative.”<sup>187</sup> The E.U. stressed that “the full financing of the HIPC Initiative is necessary to provide HIPC debt relief to all entitled countries, including appropriate topping up at completion point.”<sup>188</sup> While no recommendations for good governance and methodology for calculating the topping up of debt relief were made, the EU did emphasize that full donor country participation was necessary in order for the program to succeed.

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<sup>185</sup> International Monetary Fund, “Statement by the Honourable John Snow, Secretary of the Treasury of the United States of America”, 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/usae.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/usae.pdf).

<sup>186</sup> Ibid.

<sup>187</sup> International Monetary Fund, “Statement by Mr. Charlie McCreevy, Minister for Finance of Ireland and Governor of the IMF in his capacity as Chairman of the EU Council of Economic and Finance Ministers”, 24 April 2004, [www.imf.org/External/spring/2004/imfc/statem/eng/EUe.pdf](http://www.imf.org/External/spring/2004/imfc/statem/eng/EUe.pdf).

<sup>188</sup> Ibid.

## 2003 Evian Final Compliance Report Environment: Marine Environment

### Commitment

2003-121: “ We commit to the ratification or acceding to and implementation of the United Nations Convention on the Law of the Sea, which provides the overall legal framework for oceans.”

### Background

This commitment stems from increased recent concern over environmental issues pertaining to the Earth’s marine environment. Recent environmental disasters resulting from unsafe and careless shipping practices, the increasingly alarming state of the world’s fisheries, as well as other related issues, have brought to the attention of the international community the urgent need for increased efforts in this area of international cooperation. As the United Nations Convention on the Law of the Sea is the basis of the main international legal framework governing practices that are potentially harmful to marine environment, the G8 have made this commitment in order to support the efforts to curb environmental damage through better management of marine ecosystems and resources.

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany		0	
Italy		0	
Japan		0	
Russia			+1
United Kingdom			+1
United States		0	
European Union			+1
Overall (not including EU score)			+0.50

### Individual Country Compliance Breakdown

#### 1. Canada: +1

On November 7, 2003, Canada signed, made a declaration and ratified the United Nations Convention on the Law of Sea. On the same day, Canada ratified an agreement relating to the implementation of Part XI of the Convention. Prior to that, on August 3, 1999, Canada had signed and (ratified) the agreement for the implementation of the provisions of the Convention

relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.<sup>189</sup>

Canada's 2003 Federal Budget provided part of \$ 1 B over a five-year period, aimed at addressing environmental concerns, to "upgrade, maintain and monitor water and waste systems and reserves...commence the establishment of 5 new national marine conservation areas and restore the ecological health of existing".<sup>190</sup>

Through the Canadian International Development Agency's Technical assistance Program, Canada has made a significant contribution to the development of the Russian Arctic through a number of current projects on the environment.<sup>191</sup> These include, for example, the ECORA Project on an "Integrated Ecosystem Management Approach to Conserve Biodiversity and Minimize Fragmentation in Three Selected Model Areas in the Russian Arctic", with UNEP serving as the implementing agency.<sup>192</sup> The Department of Foreign Affairs and International Trade Canada has been actively participating in the Arctic Council, the aim of which is to protect the arctic environment and promote well-being of northern peoples on different levels. Canada and Iceland are co-leading on the development of the strategic plan for the "coordinated and integrated protection of the arctic marine environment", scheduled for presentation in November 2004.<sup>193</sup> Combined, these initiatives have demonstrated Canada's commitment at fulfilling this Evian Environment commitment.

## **2. France: +1**

France ratified the United Nations Convention on the Law of the Sea (UNCLOS) in addition to signing and ratifying the agreement relating to the implementation of Part XI of the Convention in April 1996.<sup>194</sup> The Transportation Council convened on 9 October 2003 to discuss the International Convention for the Prevention of Pollution from Ships (MARPOL). During this meeting, Mrs. Loyola de Palacio, French police chief in charge of transportation and energy, pointed out that article 7 of the directive imposes conformity with UNCLOS on actions taken against ships flying a flag of a non-member state and indicated intentions for implementation.

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<sup>189</sup> United Nations Department for Oceans and the Law of the Sea, "Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks," 23 December 2003, [www.un.org/Depts/los/reference\\_files/status2003.pdf](http://www.un.org/Depts/los/reference_files/status2003.pdf)

<sup>190</sup> Department of Finance Canada, "Sustainable Development Strategy:Planned Results for 2003-04," [www.fin.gc.ca/toce/2003/susdevplane.html](http://www.fin.gc.ca/toce/2003/susdevplane.html)

<sup>191</sup> Department of Foreign Affairs and International Trade of Canada, "The Northern Dimension of Canada's Foreign Policy," [www.dfait-maeci.gc.ca/circumpolar/ndfp\\_rpt-en.asp#18](http://www.dfait-maeci.gc.ca/circumpolar/ndfp_rpt-en.asp#18)

<sup>192</sup> "ECORA: Integrated Ecosystem Approach to Conserve Biodiversity and Minimize Habitat Fragmentation in the Russian Arctic," Project Website, [www.grida.no/ecora/projectbrief.htm](http://www.grida.no/ecora/projectbrief.htm)

<sup>193</sup> Department of Foreign Affairs and International Trade of Canada, [www.dfait-maeci.gc.ca/sustain/EnvironIssu/canOcean/oceans-en.asp](http://www.dfait-maeci.gc.ca/sustain/EnvironIssu/canOcean/oceans-en.asp)

<sup>194</sup> United Nations Department for Oceans and the Law of the Sea, "Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks," 23 December 2003, [www.un.org/Depts/los/reference\\_files/status2003.pdf](http://www.un.org/Depts/los/reference_files/status2003.pdf)

The whole delegation approved the measure and expressed strong adherence to the framework fixed by UNCLOS for provisions of International Conventions.<sup>195</sup>

On 19 December 2003, France made a declaration and ratified the Convention Relating to the Conservation and management of Straddling Fish Stocks and Highly Migratory Fish Stocks.<sup>196</sup> France's ratification and implementation of UNCLOS since the Evian Summit represents full compliance with the G8 Environment Commitment on marine environment.

### **3. Germany: 0**

Germany acceded to the United Nations Convention on the Law of the Sea (UNCLOS) on October 14, 1994. On the same date, it also ratified the Agreement Relating to the Implementation of Part XI of the Convention. In addition, it also signed the Agreement for the Implementation of the Provisions of the Convention Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks. On December 19, 2003, Germany also ratified this last Agreement relating to the Convention.<sup>197</sup> Germany's ratification since the Evian summit of the Agreement represents a step in support of the implementation of UNCLOS and, as such, qualifies as partial compliance with the Evian commitment to the ratification, accession to and implementation of UNCLOS.

### **4. Italy: 0**

Italy made a declaration for the United Nations Convention on the Law of the Sea (UNCLOS) on January 13, 1995. Italy signed the Agreement relating to the implementation of Part XI of the Convention on January 13, 1995. It further signed and made a declaration on the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks on December 19, 2003.<sup>198</sup> Italy's failure, however, to ratify the UNCLOS and its related Agreements constitute neglect on behalf of the Italian government of its Evian marine environment commitment. However, its December 19, 2003 signature of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks indicates a work in progress on issues relating to the Law of the Sea, hence a work in progress.

### **5. Japan: 0**

Japan signed and ratified the United Nations Convention on the Law of the Sea (UNCLOS) on June 20, 1996. On the same date, it also ratified the Agreement Relating to the Implementation

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<sup>195</sup> The French National Assembly, “\_ 1239, Assemblée Nationale, Constitution Du 4 Octobre 1958, Douzième Législature, Enregistré à la Présidence del’Assemblée nationale le 19 novembre 2003, Rapport D’Information,” 19 November 2003, [www.assemblee-nationale.fr/12/pdf/europe/rap-per/p1239.pdf](http://www.assemblee-nationale.fr/12/pdf/europe/rap-per/p1239.pdf)

<sup>196</sup> United Nations Department for Oceans and the Law of the Sea, “Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks,” 23 December 2003, [www.un.org/Depts/los/reference-files/status2003.pdf](http://www.un.org/Depts/los/reference-files/status2003.pdf)

<sup>197</sup> Ibid.

<sup>198</sup> Ibid.

of Part XI of the Convention. It also signed the Agreement for the Implementation of the Provisions of the Convention Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks. However, Japan has not yet ratified the Agreement on the implementation of UNCLOS.<sup>199</sup> Japan's failure to ratify this Agreement, intimately connected to UNCLOS and its implementation, indicates failure on the part of the Japanese government to fulfill their Evian commitment to date.

On the occasion of the November 24, 2003 United Nations General Assembly Meeting in New York, Japan, through a statement delivered by His Excellency Ambassador Yoshiyuki Motomura, Deputy Permanent Representative of Japan at the United Nations, expressed its commitment to “continuing its support of [and active participation in] the organs established under the Convention, namely, the International Seabed Authority (ISA), the International Tribunal for the Law of the Sea (ITLOS), and the Commission on the Limits of the Continental Shelf (CLCS).”<sup>200</sup> On the same occasion, Japan reiterated its continued commitment to “the stability of the legal framework of ocean affairs” and to the “promotion of the prudent and equitable use of the sea by the international community, in accordance with the Convention.”<sup>201</sup> These statements, clearly in support of universal signature, ratification and accession to UNCLOS, as well as containing a direct reference to the implementation of UNCLOS and its related Agreements (through the reference to the legal framework of ocean affairs), represent a work in progress with Japan's Evian commitment regarding UNCLOS.

However, Japan is currently embroiled in a controversy with South Korea, North Korea and Russia over certain waters in the Sea of Japan that are being claimed by all four parties as part of exclusive economic zones (EEZs). This conflict has been the result of both hazy legal definitions within the UNCLOS itself, as well as numerous let-out clauses that allow signatories and non-signatories alike to set the parameters of treaty provisions according to their own interests. As a result, Japan could technically be prosecuted by the International Seabed Authority, created by the UNCLOS, for blocking navigational rights, although there is little political will to undertake such proceedings. While Japan's situation is not unique among UNCLOS signatories — other countries also have taken advantage of the UNCLOS's weaknesses — the fact that it has not been able to solve this conflict with its neighbours indicates that the implementation of UNCLOS is still a work in progress.<sup>202</sup>

## **6. Russia: +1**

On March 12, 1997, Russia signed and ratified the United Nations Convention on the Law of the Sea. On the same date, Russia acceded to the agreement relating to the implementation of Part XI of the Convention. On August 4, 1997 Russia ratified and made a declaration concerning the

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<sup>199</sup> Ibid.

<sup>200</sup> Ministry of Foreign Affairs of Japan, “Statement by the H.E. Ambassador Yoshiyuki Motomura Deputy Permanent Representative of Japan at the General Assembly Meeting on Agenda Item 52(a): Oceans and the Law of the Sea 52(b): Sustainable Fisheries,” 24 November 2003, [www.mofa.go.jp/announce/speech/un0311-3.html](http://www.mofa.go.jp/announce/speech/un0311-3.html)

<sup>201</sup> Ibid.

<sup>202</sup> Alan Boyd, “The UN's Sinking Law of the Sea” Asia Times, 6 April 2004. [www.atimes.com/atimes/Southeast\\_Asia/FD06Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/FD06Ae01.html).

agreement for the implementation of the provisions of the Convention relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.<sup>203</sup>

On July 18, 2003, Russia participated in the meeting of the Interdepartmental Commission relating to the coordination of the activities of the federal executive organs concerning the realization of the Federal Central Program “World Ocean.”<sup>204</sup> The divisions of the subprogram strive for a holistic approach to economical and environmental problems and objectives of the marine ecosystem, including research and development, extractive industries, employment (securing 17,000 jobs), sustainable utilization of Arctic and Antarctic mineral and bio resources.<sup>205</sup>

On December 3, 2003, a conference took place between the UN representative of UNEP and the representative of the Mine Co-development of Russia. A Program of strategic actions concerning conservation and restoration of the marine environment of the Russian Arctic was developed and approved. As a result, approximately 30 million dollars US are planned to be provided by Russia and other participating parties for the program’s implementation by 2008.<sup>206</sup>

In October 2003, the Russian Federation held a number of meetings with other G8 countries regarding various issues covered by UNCLOS. These included meetings with: German representatives concerning general environment questions; Italians on cooperation in the management of water pollutants and resources in the framework developed within the European Union, and; the Canadian Minister of Environment on the issues of monitoring and protecting biodiversity. The Russian Federation and the United States also signed a Protocol on Prevention and Elimination of the Oil Spillage in September 2003.<sup>207</sup>

Russia’s actions since the Evian summit constitute tangible work towards the implementation of the UNCLOS’ provisions, thus resulting in positive overall compliance with the G8 Environment Commitment made at Evian.

## **7. United Kingdom: +1**

The United Kingdom made a declaration and ratified the United Nations Convention on the Law of the Sea and signed and ratified the agreement relating to the implementation of Part XI of the Convention in 1995. In 2001, the United Kingdom made a declaration, signed and ratified the

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<sup>203</sup> United Nations Department for Oceans and the Law of the Sea, “Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks,” 23 December 2003, [www.un.org/Depts/los/reference\\_files/status2003.pdf](http://www.un.org/Depts/los/reference_files/status2003.pdf)

<sup>204</sup> Ministry of the Economy of Russian Federation, “World Ocean Program,” 9 January 2003, [www.economy.gov.ru/merit/fcp\\_mirovoi\\_okean/index.htm](http://www.economy.gov.ru/merit/fcp_mirovoi_okean/index.htm)

<sup>205</sup> Ibid.

<sup>206</sup> Ministry of Foreign Affairs of the Russian Federation, “Announcement of the Press Department of the Ministry of Economic Development and Trade of the Russian Federation,” 8 December 2003, [www.ln.mid.ru/ns-dmo.nsf/a1c87897b58a9d2743256a550029f995/432569f10031eb9343256df7002be3ec?OpenDocument](http://www.ln.mid.ru/ns-dmo.nsf/a1c87897b58a9d2743256a550029f995/432569f10031eb9343256df7002be3ec?OpenDocument)

<sup>207</sup> Ibid.



agreement for the implementation of the provisions of the Convention relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.<sup>208</sup>

On 10 December 2003, the British Department of Trade and Industry published a memorandum for the House of Lords Second Report on Delegated Powers and Regulatory Reform. It included Clause 75(4) in the Energy Bill Annex which “gave domestic effect to Part V of the United Nations Convention on the Law of the Sea, as regards the production of energy from water or wind.” In mapping the Renewable Zone (REZ), it follows the UNCLOS by reducing areas mapped out from the Continental Shelf Act of 1964 to 200 miles or less from the territorial sea baseline.<sup>209</sup> The House of Commons Energy Bill printed on April 22, 2004, continued the United Kingdom’s efforts to map Renewable Energy Zones and guarantee the decommissioning of Renewable Energy Installations in accordance with UNCLOS.<sup>210</sup> The United Kingdom’s ratification and continued implementation of UNCLOS since the Evian Summit represents full compliance with the G8 Environment Commitment on marine environment.

## **8. United States: 0**

The United States signed the Agreement relating to the implementation of Part XI of the Convention on the Law of the Sea (UNCLOS) on 28 July 1996. The U.S. also signed and ratified the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks in force on 11 December 2001. However, the United States has yet to ratify the Convention on the Law of the Sea or the 1994 Agreement Amending Part XI of the Law of the Sea Convention.<sup>211</sup>

The United States has made statements concerning their efforts toward accession to UNCLOS. On March 23, 2004, John F. Turner, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, testified before the Senate Environment and Public Works Committee, urging the Senate to ratify UNCLOS and the Agreement Amending Part XI of the Convention because the United Nations has modified the regime to address U.S. concerns over Deep Seabed Mining.<sup>212</sup> After President George W. Bush placed UNCLOS in the “urgent”

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<sup>208</sup> United Nations Department for Oceans and the Law of the Sea, “Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks,” 23 December 2003, [www.un.org/Depts/los/reference-files/status2003.pdf](http://www.un.org/Depts/los/reference-files/status2003.pdf)

<sup>209</sup> United Kingdom Parliament, House of Lords, “Delegated Powers and Regulatory Reform - Second Report,” 10 December 2003, [www.parliament.the-stationery-office.co.uk/pa/Id200304/Idselect/lddelreg/10/1002.htm](http://www.parliament.the-stationery-office.co.uk/pa/Id200304/Idselect/lddelreg/10/1002.htm)

<sup>210</sup> United Kingdom Parliament, House of Lords, “Energy Bill [HL],” 22 April 2004, [www.publications.parliament.uk/pa/cm200304/cmbills/093/2004093.htm](http://www.publications.parliament.uk/pa/cm200304/cmbills/093/2004093.htm)

<sup>211</sup> United Nations Department for Oceans and the Law of the Sea, “Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks,” 23 December 2003, [www.un.org/Depts/los/reference-files/status2003.pdf](http://www.un.org/Depts/los/reference-files/status2003.pdf)

<sup>212</sup> United States Department of State, “Accession to the 1982 Law of the Sea Convention and Ratification of the 1994 Agreement Amending Part XI of the Law of the Sea Convention,” 23 March 2004, [www.state.gov/g/oes/rls/rm/2004/30723.htm](http://www.state.gov/g/oes/rls/rm/2004/30723.htm)

category of his treaty priorities, the Senate Foreign Relations Committee took up the treaty and voted 19-0 in recommending the Senate to support ratification.<sup>213</sup>

A number of actions have been taken by the U.S. to implement UNCLOS. In Turner's testimony he stated, "U.S. marine pollution enforcement efforts have been undertaken in a manner consistent with the Convention, including its allocation of enforcement responsibilities among coastal States, flag States, and port States in various situations."<sup>214</sup> Further evidence of US support comes with actions taken to implement the White Water to Blue Water Partnership. This initiative is intended to help implement UNCLOS, the 1995 UN Fish Stocks Agreement, and the 2000 Convention on the Conservation and management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. For example, "The State Department has already committed US\$2 million to WW2BW-related projects worldwide (US\$1.5 million of which directly targets the Wider Caribbean Region)."<sup>215</sup>

However, in April 2004, "the United States Senate again declined to debate a Foreign Relations Committee resolution, backed by the administration of President George Bush, that might have led to recognition of the world's most ambitious forum for conflict resolution," the UNCLOS system.<sup>216</sup> Another bid is expected to be made through one of the six alternate committees that have jurisdiction over the issue.<sup>217</sup> A Senate approval and US ratification of the UNCLOS would constitute full compliance, but until that happens, a work in progress is granted to the U.S. on this commitment.

## **9. European Union: +1\***

The European Union made a declaration of ratification and formal confirmation for the United Nations Convention on the Law of the Sea (UNCLOS) on April 1, 1998. The European Union signed and ratified making a formal confirmation on the Agreement relating to the implementation of Part XI of the Convention on April 1, 1998. In addition, the EU made a declaration on the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks on December 19, 2003.<sup>218</sup>

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<sup>213</sup> United States Department of State, "Senate Leader Advocates Ratification of Law of the Sea Convention," 22 April 2004, [usinfo.state.gov/is/Archive/2004/Apr/23-542785.html](http://usinfo.state.gov/is/Archive/2004/Apr/23-542785.html)

<sup>214</sup> United States Department of State, "Accession to the 1982 Law of the Sea Convention and Ratification of the 1994 Agreement Amending Part XI of the Law of the Sea Convention," 23 March 2004, [www.state.gov/g/oes/rls/rm/2004/30723.htm](http://www.state.gov/g/oes/rls/rm/2004/30723.htm)

<sup>215</sup> USAID, "White Water to Blue Water," 2003, [www.usaid.gov/our\\_work/environment/water/wwf3.factsheets/white.water.to.blue.water.pdf](http://www.usaid.gov/our_work/environment/water/wwf3.factsheets/white.water.to.blue.water.pdf)

<sup>216</sup> Alan Boyd. "The UN's sinking law of the sea," Asia Times. 6 April 2004. [www.atimes.com/atimes/Southeast\\_Asia/FD06Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/FD06Ae01.html)

<sup>217</sup> Ibid.

<sup>218</sup> United Nations Department for Oceans and the Law of the Sea, "Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish and highly migratory fish stocks," 23 December 2003, [www.un.org/Depts/los/reference\\_files/status2003.pdf](http://www.un.org/Depts/los/reference_files/status2003.pdf)

In a recent meeting of the Council of the European Union a directive on this issue was developed. “The aim of the Directive is to transpose the international rules on ship-source pollution of the MARPOL Convention into Community legislation and to establish harmonized rules for their enforcement. It also extends the measures to include offences occurring on the high seas in accordance with the provisions of the United Nations Convention on the Law of the Sea (UNCLOS). The council agreed on a general approach, pending the European Parliament’s opinion in the reading, concerning the proposal for a Regulation aiming at providing the European Marine Safety Agency with new tasks in the field of maritime security and in the process of Community recognition of the training and qualifications of third country seafarers, as well as additional competence and means to fight pollution caused by ships”.<sup>219</sup>

On January 8, 2004, the EU stated that, “The proposed Council Decision approves the accession of the European Community to the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific ocean...The Convention applies to all species of highly migratory fish stocks (as listed in Annex I of UNCLOS) and such other species of fish as the Commission may determine, occurring in the Convention Area. The Community has therefore a real interest in the relevant fisheries and must co-operate with other interested States and Entities at the multilateral level towards the conservation and management of these fishery resources, in accordance with the provisions of UNCLOS and UNFSA.”<sup>220</sup> The accession of the European Community to the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean was thereby approved. This serves as evidence of action on behalf of the EU towards the accession of the Convention on the Conservation and Management of Highly Migratory Fish Stocks.

Compiled by:  
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<sup>219</sup> Council of the European Union, “2551th Council Meeting – Transport Telecommunications and Energy,” December 5, 2003

<sup>220</sup> Commission of the European Communities. “Proposal for a Council Decision on the accession of the Community to the convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean,” 8 January 2004, [europa.eu.int/eur-lex/pri/en/lip/latest/doc/2003/act0855en03/1.doc](http://europa.eu.int/eur-lex/pri/en/lip/latest/doc/2003/act0855en03/1.doc)

## 2003 Evian Final Compliance Report Health: AIDS and Infectious Diseases

### Commitment

2003-10: “We agreed on measures to strengthen the Global Fund to Fight AIDS, Tuberculosis and Malaria, and other bilateral and multilateral efforts, notably through our active participation in the donors’ and supporters’ conference to be hosted in Paris this July.”

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany		0	
Italy			+1
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Overall (not including EU score)			+0.88

### Individual Country Compliance Breakdown

#### 1. Canada: +1

Through the Canadian International Development Agency (CIDA), Canada has committed a total of over CDN\$500 million towards HIV/AIDS prevention, treatment, support, care, education and research to help developing countries fight HIV/AIDS since 2000. Canada has contributed substantially to the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Fund is a new public-private partnership that aims to attract, manage and distribute additional resources. On May 12, 2004, the Canadian Minister for International Cooperation, Aileen Carroll, announced that Canada would increase its contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria by CDN\$70 million in 2005, thus effectively doubling its annual contribution and increasing its overall contribution to the Fund to CDN\$220 million.<sup>221</sup>

Canada was the first country to take concrete measures to respond to the August 2003 decision of the World Trade Organization members on the Agreement on Trade-Related Aspects of Intellectual Property Rights and Public Health. Canada has introduced the Jean Chrétien Pledge to Africa Act (Bill C-9), which was endorsed by the Canadian senate in early May 2004. The bill seeks to make legislative changes to the Patent and Food and Drug Acts. This will make vital

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<sup>221</sup> Canadian International Development Agency, “Canada renews commitment to Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria,” 12 May 2004,

pharmaceutical products more accessible to those infected with HIV/AIDS and other infectious diseases in developing countries.<sup>222</sup>

Canada is also playing an important role in the global policy dialogue. Canada maintains a seat on the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria and will assume the position of chair for 2004-2005 of the Joint United Nations Program on HIV/AIDS (UNAIDS). UNAIDS is the primary global advocate for action on the HIV/AIDS pandemic.<sup>223</sup>

Moreover, Canada is a leading donor to the World Health Organization (WHO) 3 by 5 initiative. Canada has contributed CDN\$100 million to this WHO initiative which aims to prepare the health care systems of various developing countries to have three million individuals on antiretroviral treatment for HIV/AIDS by the end of 2005.<sup>224</sup> Canada has committed to contributing CDN\$100 million over the next five years to African-led programs and initiatives for the treatment, support, care and prevention of HIV/AIDS, including CDN\$35 million, over the next three years to Tanzania and Mozambique, where Canada will work closely with UNAIDS, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the national governments. Canada has also committed to allocating CDN\$50 million over five years to the International AIDS Vaccination Initiative (IAVI) and CDN\$12 million to support the work of a Canadian Coalition on HIV/AIDS dealing with the various social impacts of the disease.<sup>225</sup>

## **2. France: +1**

In July 2003, France hosted the International AIDS Society conference to support the Global Fund to Fight AIDS, Tuberculosis and Malaria. At this conference, President Jacques Chirac confirmed his pledge that France would triple its annual contribution to the Global Fund.<sup>226</sup> Beginning in 2004, France will allocate €150 million per year to the Global Fund to Fight AIDS, Tuberculosis and Malaria. At the Conference in July, France highlighted three ways in which it intends to pursue the fight against AIDS: to accelerate research into effective treatments and a vaccine; to boost awareness; and to make prevention and access to health care universal.<sup>227</sup> The French government has also initiated a programme called ‘Ensemble pour une Solidarite Therapeutique Hospitaliere en Reseau’<sup>228</sup> (ESTHER) which is a programme of north/south

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<sup>222</sup> Canadian International Development Agency, “Canada bolsters HIV/AIDS programming in Africa,” 1 December 2003

<sup>223</sup> Canadian International Development Agency, “Canada renews commitment to Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria,” 12 May 2004,

<sup>224</sup> Ibid.

<sup>225</sup> Canadian International Development Agency, “Canada bolsters HIV/AIDS programming in Africa,” 1 December 2003

<sup>226</sup> The Global Fund to Fight AIDS, Tuberculosis and Malaria, “Summary Report – An International Meeting to support the Global Fund,” 16 July 2003, [www.theglobalfund.org](http://www.theglobalfund.org).

<sup>227</sup> French Foreign Ministry, “Second Conference of the International AIDS Society and the support conference for the Global Fund to Fight AIDS, Tuberculosis and Malaria,” Closing speech by M. Jacques Chirac, President of the Republic, Paris, 16 July 2003, [www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20030718.gb.html#Chapitre1](http://www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20030718.gb.html#Chapitre1).

<sup>228</sup> ‘Together in a Hospital Network of Solidarity in Care and Treatment’

hospital twinnings to encourage the use of anti-retroviral therapy for individuals infected with AIDS in developing countries.<sup>229</sup>

Furthermore, as promised, the French Ministry of Foreign Affairs has appointed an ambassador for the Fight against HIV/AIDS and communicable diseases. Mireille Guigaz headed the French delegation at the “Breaking the Barriers — Partnership to Fight HIV/AIDS in Europe and Central Asia” conference held in Dublin, Ireland on the 23-24 of February 2004. The conference brought together the 55 member states of the United Nations Economic Commission for Europe with the aim to develop strong partnerships to combat the HIV/AIDS pandemic in the region.<sup>230</sup>

### **3. Germany: 0**

Germany has committed to contributing a total of €300 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria between 2002 and 2007. Germany has fully paid its pledged amount for 2003 to the Global Fund<sup>231</sup> and was an active participant at the International AIDS Society conference to support the Global Fund held in Paris in July 2003. In late December of 2003, Germany announced that it would contribute US\$7.4 million to the Caribbean to help fight HIV/AIDS. Moreover, Heidemarie Wieczorek-Zeul, the German Minister for Economic Cooperation and Development has “emphasized the importance of poverty reduction to International Development Cooperation and urged support for efforts to make low cost drugs available to the poor”.<sup>232</sup>

Although Germany has put forth effort in the global fight against AIDS and other infectious disease, Germany was among other EU member that blocked EU legislation that would have allocated an additional €170 million to the Global Fund and thus receives a score of 0, indicating a work in progress on this initiative.<sup>233</sup>

### **4. Italy: +1**

It is due to the encouragement of 2003 Italian presidency of the European Union that the European Centre for Disease Prevention and Control was established. Italy pledged an additional €200 million to the Global Fund in addition to their Evian commitment.<sup>234</sup> Other efforts against

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<sup>229</sup> French Foreign Ministry, “Ensemble pour une Solidarite Therapeutique Hospitaliere en Reseau (ESTHER): Supporting the South in its battle against HIV/AIDS,” Communiqué issued by the Prime Minister, Paris, 19 January 2004, [www.diplomatie.gouv.fr](http://www.diplomatie.gouv.fr)

<sup>230</sup> French Foreign Ministry, “United Nations / AIDS Conference,” Statement by the French Foreign Ministry Spokesperson, Paris, 20 February 2004, [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=40604](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=40604).

<sup>231</sup> The Global Fund to Fight AIDS, Tuberculosis and Malaria, “Pledges and Contributions”, 9 January 2004, [www.theglobalfund.org/en/files/pledges&contributions.xls](http://www.theglobalfund.org/en/files/pledges&contributions.xls).

<sup>232</sup> The Henry J. Kaiser Family Foundation, “Daily HIV/AIDS report”, 22 December 2003, [www.kaisernetwork.org/daily\\_reports/rep\\_index.cfm/hint=1&DR\\_ID=21455](http://www.kaisernetwork.org/daily_reports/rep_index.cfm/hint=1&DR_ID=21455).

<sup>233</sup> CNN, “EC refuses to add to AIDS fund,” 16 July 2003, [www.cnn.com/2003/HEALTH/conditions/07/16/aids.funding.resistant/index.html](http://www.cnn.com/2003/HEALTH/conditions/07/16/aids.funding.resistant/index.html)

<sup>234</sup> The Global Fund to Fight AIDS, “Global Fund Praises New Funding Pledges by G8, underscores Need for US\$ 3 Billion by End of 2004,” 6 June 2003, [www1.theglobalfund.org/en/media\\_center/press/pr\\_030606.asp](http://www1.theglobalfund.org/en/media_center/press/pr_030606.asp).

communicable diseases include the donation of \$US1.65 M to UNAIDS,<sup>235</sup> ranking Italy 5<sup>th</sup> out of the G8 member states. Italy took an active leadership role during the SARS crisis, establishing research, treatment and prevention programs during the 2003 outbreak.<sup>236</sup>

The Italian ministry of Health funded an extensive public education campaign featuring numerous celebrity spokespeople such as soccer players to raise awareness regarding the spread of AIDS.<sup>237</sup> The country began human testing of an AIDS vaccine and results have not yet been released.

## **5. Japan: +1**

At the International Symposium entitled “Human Security Challenges of HIV/AIDS and Communicable Diseases in Asia—Exploring Effective Regional and Global Responses”, held in Tokyo on March 22, 2004, Japan allocated US\$70 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria. This contribution constitutes a portion of the US\$ 100 million that Japanese Prime Minister Junichiro Koizumi pledged to the Global Fund at the December 12, 2003 Commemorative Summit of the Association of Southeast Asian Nations (ASEAN).<sup>238</sup> The Global Fund has praised Japan for its contribution in 2004, which increased from US\$40 M to US\$100 M.<sup>239</sup>

Furthermore, on December 16, 2003, the Japanese Government allocated US\$50.3 million as emergency grant aid to the Global Fund as part of Japan’s contribution of US\$ 85 million for 2003.<sup>240</sup> Japan has pledged twice contributions amounting to US\$ 265 million to the Global Fund. Japan has already paid US\$ 230 million of this amount. By steadily implementing the “Okinawa Infectious Diseases Initiative”, as announced at the Kyushu-Okinawa Summit in 2000, and by extending personnel and financial assistance to the Global Fund, Japan has been making wide-ranging multilateral and bilateral efforts in the global fight against AIDS and other infectious diseases.<sup>241</sup>

## **6. Russia: +1**

Russia is in a very unique position in respect to the fight against AIDS and other infectious diseases. The HIV/AIDS pandemic presents a two-fold crisis for Russia. Domestically, the HIV virus has one of the fastest growing rates of infection in Russia. Some estimates indicate that if

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<sup>235</sup> UNAIDS, “Ranking of Government’s Total Core Contributions 2003 as at (sic) 30 December 2003,” 30 December 2003, [www.unaids.org/html/pub/Governance/PCB01/Core%202003\\_en\\_xls.htm](http://www.unaids.org/html/pub/Governance/PCB01/Core%202003_en_xls.htm).

<sup>236</sup> European Union, [europa.eu.int/comm/health/ph\\_threats/com/sars/sars\\_annexeb\\_en.pdf](http://europa.eu.int/comm/health/ph_threats/com/sars/sars_annexeb_en.pdf).

<sup>237</sup> Ministero Della Salute, “VII Campagna informativo-educativa sull’Aids,” 14 March 2003, [www.ministerosalute.it/servizio/galleria.jsp?lang=italiano&id=145&label=aid&dad=s](http://www.ministerosalute.it/servizio/galleria.jsp?lang=italiano&id=145&label=aid&dad=s).

<sup>238</sup> Ministry of Foreign Affairs of Japan, “Japan’s Contribution to the Global Fund to fight AIDS, Tuberculosis and Malaria,” 22 March 2004, [www.mofa.go.jp/announce/announce/2004/3/0322.html](http://www.mofa.go.jp/announce/announce/2004/3/0322.html).

<sup>239</sup> The Global Fund to Fight AIDS, Tuberculosis and Malaria, “Japan More Than Doubles 2004 Pledge to Global Fund: Prime Minister of Japan Announces 150% Increase in Japan’s 2004 Contribution to the Global Fund,” 12 December 2003, [www.theglobalfund.org/en/media\\_center/press/pr\\_031212.asp](http://www.theglobalfund.org/en/media_center/press/pr_031212.asp).

<sup>240</sup> Ministry of Foreign Affairs of Japan, “Grant Aid to the Global Fund to Fight AIDS, Tuberculosis and Malaria,” 16 December 2003, [www.mofa.go.jp/policy/health\\_c/aid0312.html](http://www.mofa.go.jp/policy/health_c/aid0312.html).

<sup>241</sup> Ministry of Foreign Affairs of Japan, “Japan’s Contribution to the Global Fund to fight AIDS, Tuberculosis and Malaria,” 22 March 2004, [www.mofa.go.jp/announce/announce/2004/3/0322.html](http://www.mofa.go.jp/announce/announce/2004/3/0322.html).

the epidemic is not halted, the number of HIV-positive individuals will rise to five million, most of whom will be under 21 years of age.<sup>242</sup> Not only is Russia committed to fighting AIDS domestically but Russia is also playing a role in the global initiative to fight AIDS and other infectious diseases. Domestically, the Russian Government has implemented extensive policies and initiatives to deal with the spread of AIDS and other infectious diseases.

Moreover, from the beginning Russia has actively supported the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Russia has contributed to the establishment of the organizational and legal framework of the Global Fund.<sup>243</sup> With respect to its monetary contribution, President Vladimir Putin has pledged to allocate a total of US\$ 20 million to the Global Fund. Of the amount pledged, Russia has paid US\$ 7.5 million. In addition, Russia allocated US\$ 4 million to the Fund in 2003. As a result, Russia has increased its contribution to the Fund by US\$ 5 million each year from 2004-2006.<sup>244</sup>

## **7. United Kingdom: +1**

In 2003, the United Kingdom met its target pledge amount of £40 M for the Global Fund to Fight AIDS, Tuberculosis and Malaria.<sup>245</sup> In July 2003, at the International AIDS Society conference in Paris, the UK pledged to allocate an additional US\$80 million to the Global Fund, thereby increasing its total contribution to US\$280 million by 2008.<sup>246</sup>

On World AIDS day in 2003, the United Kingdom's Secretary of State for International Development, Hilary Benn, unveiled the government's "Call for Action" on HIV/AIDS. This action plan declared that in 2004, the UK will double its funding to UNAIDS, increasing its contribution to £6 million. The "Call for Action" is a plan that challenges the international community to intensify its efforts in order to attain various international targets set by the international community. These targets include: 25% fewer young people infected with HIV/AIDS by 2005; 3 million infected individuals to receive treatment by 2005; in each country affected by the pandemic there is to be one national HIV/AIDS strategy, one national HIV/AIDS commission and one framework to monitor progress; and that the international community be on track to slowing the progress of the disease by 2015. As part of the plan, the UK urges the international community to increase its efforts to heighten the global response to fight HIV/AIDS and other infectious diseases. More specifically, the action plan calls for greater funding, stronger political direction and increased donor coordination in support of various HIV/AIDS programs.<sup>247</sup>

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<sup>242</sup> Ministry of Foreign Affairs of the Russian Federation, "Statement By His Excellency Igor S.Ivanov, Minister of Foreign Affairs of the Russian Federation at the High Level Plenary Meeting of the 58th Session of the UN General Assembly on HIV/AIDS," 22 September 2003

<sup>243</sup> Ibid.

<sup>244</sup> The Global Fund to Fight AIDS, Tuberculosis and Malaria, "Pledges and Contributions", 9 January 2004, [www.theglobalfund.org/en/files/pledges&contributions.xls](http://www.theglobalfund.org/en/files/pledges&contributions.xls).

<sup>245</sup> Ibid.

<sup>246</sup> Department for International Development, "Note on DFID Response to HIV/AIDS Epidemic and Support for the Global Health Fund," 12 December 2003, [www.dfid.gov.uk](http://www.dfid.gov.uk).

<sup>247</sup> Department for International Development, 'UK Government Launches "Call for Action" to Fight HIV/AIDS and doubles Funding to UNAIDS,' 1 December 2003, [www.dfid.gov.uk](http://www.dfid.gov.uk).



Furthermore, the UK has announced that it will make HIV/AIDS a focal point of the UK presidencies of the G8 and the EU in 2005. The government has also announced that it will make HIV/AIDS a priority when distributing the extra £320 million that will be devoted to Africa by 2006.<sup>248</sup> On March 5, 2004, Gareth Thomas, Parliamentary Under Secretary of State at the Department for International Development (DFID) announced a contribution of £3 million to the 3 by 5 initiative launched by the WHO. This initiative is aimed directly at meeting the international target of providing three million individuals affected with HIV/AIDS with vital anti-retroviral treatment by 2005.<sup>249</sup>

## 8. United States: +1

The United States is one of the world's leaders in funding AIDS related programs. \$2 billion US will be allocated to the fight against AIDS, Tuberculosis and Malaria in 2004, increasing by \$500 million each year until the sum reaches \$4 billion in 2008.<sup>250</sup> The US further authorized up to US\$1 billion in 2004 for the Global Fund making it the largest single country donor country.<sup>251</sup> This money will be dispersed provided that the Fund shows results<sup>252</sup> and that the American contribution does not exceed 33% of total paid-in funding of the Global Fund for 2004.<sup>253</sup> It has also invested \$500 million in the presidential initiative for the Prevention of Mother to Child Transmission (PMTCT) of HIV in Haiti and 13 other countries throughout Africa and the Caribbean.<sup>254</sup> In addition to these efforts, the US will give UNAIDS a \$100 million grant.<sup>255</sup> In February 2004, the USA reconfirmed its total pledge to the Global Fund that includes \$547 million, but did not pledge any new funds.<sup>256</sup> In early 2004, President George W. Bush announced the establishment of the Emergency Plan for AIDS Relief, a five-year plan including \$10 billion in new money to fund AIDS prevention and treatment as well as to provide support for children orphaned by the disease.<sup>257</sup>

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<sup>248</sup> Ibid.

<sup>249</sup> Department for International Development, "International Development Minister announces £3 million for fight against HIV/AIDS," 5 March 2004, [www.dfid.gov.uk](http://www.dfid.gov.uk).

<sup>250</sup> US House of Representatives Committee on rules, "Summary of Amendments Submitted to the Rules Committee on H.R. 1298 -United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003," 30 April 2003, [www.house.gov/rules/108amnd\\_1298.htm](http://www.house.gov/rules/108amnd_1298.htm)

<sup>251</sup> The Global Fund to Fight AIDS, "Global fund Praises new funding pledges by G8, underscores need for US\$ 3 Billion by end of 2004," 6 June 2003, [www.theglobalfund.org/en/media\\_center/press/pr\\_030606.asp](http://www.theglobalfund.org/en/media_center/press/pr_030606.asp).

<sup>252</sup> White House, "Fact Sheet: The President's Emergency Plan for AIDS Relief," 28 January 2004, [www.whitehouse.gov/news/releases/2003/01/20030129-1.html](http://www.whitehouse.gov/news/releases/2003/01/20030129-1.html).

<sup>253</sup> The Global Fund to Fight AIDS, "Confirmation of US Pledge for 2004 boosts Global Fund resources for Fourth proposal round to \$900 million," 26 February 2004, [www.theglobalfund.org/en/media\\_center/press/pr\\_040226.asp](http://www.theglobalfund.org/en/media_center/press/pr_040226.asp).

<sup>254</sup> United States Diplomatic Mission to Italy, "Presidential HIV-Prevention Initiative Launched in Haiti, Other Countries, July 21, 2003," 22 July 2003, [www.usembassy.it/file2003\\_07/alia/a3072208.htm](http://www.usembassy.it/file2003_07/alia/a3072208.htm).

<sup>255</sup> United States Diplomatic Mission to Italy, "U.S. an Ally in the Fight Against AIDS, Powell Says, September 22, 2003," 22 September 2003, [www.usembassy.it/file2003\\_09/alia/a3092206.htm](http://www.usembassy.it/file2003_09/alia/a3092206.htm).

<sup>256</sup> The global Fund to Fight AIDS, "Confirmation of US Pledge for 2004 boosts Global Fund resources for Fourth proposal round to \$900 million," 26 February 2004, [www.theglobalfund.org/en/media\\_center/press/pr\\_040226.asp](http://www.theglobalfund.org/en/media_center/press/pr_040226.asp).

<sup>257</sup> White House, "Fact Sheet: The President's Emergency Plan for AIDS Relief," 28 January 2004, [www.whitehouse.gov/news/releases/2003/01/20030129-1.html](http://www.whitehouse.gov/news/releases/2003/01/20030129-1.html).

## 9. European Union: +1

HIV/AIDS treatment and prevention has been a priority for the European Union. The 15 European member states are the largest contributors to the Global Fund. Romano Prodi had stated numerous times that he would press the European Union into donating €1 Billion to the Global Fund, and the EU agreed to provide € 1.2 billion from 2003 to 2006 to the global fund through a variety of mechanisms.<sup>258</sup> The European Union approved early disbursement of €170 million to enable rapid deployment to the Global Fund in October<sup>259</sup> and had previously attempted to contribute an additional €170 million to the Global Fund. However, such legislation was blocked by Germany, Denmark and the Netherlands.<sup>260</sup> The EU funded numerous other health initiatives such as a new European Centre for Disease Prevention and Control that will be operational by May 2005.<sup>261</sup> This includes a system of free circulation of patients and healthcare workers across Europe in order to allow access to the most effective treatments available.

The European Union has become a leader in funding and implementing a large number of HIV/AIDS related projects including one addressing stigmatization of those at high risk of HIV infection such as sex workers, prisoners and young people. For 2003-2006, the EU allocated 400 € million to AIDS research and development as well as the new European and Developing Countries' Clinical Trials Partnership.<sup>262</sup> An EU funded AIDS vaccine will soon be tested on human volunteers.<sup>263</sup> In addition to its AIDS funding, the EU also funded much research on the West Nile Virus, SARS, and the Avian Flu.

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<sup>258</sup> European Union, "'Breaking the Barriers" Partnership to Fight HIV/AIDS in Europe and Central Asia," 23 February 2004 [www.europa.eu.int](http://www.europa.eu.int)

<sup>259</sup> The Global Fund to Fight AIDS, "Global Fund Welcomes EC Commitment of Further Eur 170 Million," 31 October 2003, [www.theglobalfund.org/en/media\\_center/press/pr\\_031031.asp](http://www.theglobalfund.org/en/media_center/press/pr_031031.asp).

<sup>260</sup> CNN, EC refuses to add to AIDS fund," 16 July 2003, [edition.cnn.com/2003/HEALTH/conditions/07/16/aids.funding.resistant/index.html](http://edition.cnn.com/2003/HEALTH/conditions/07/16/aids.funding.resistant/index.html).

<sup>261</sup> European Union, "'Breaking the Barriers" Partnership to Fight HIV/AIDS in Europe and Central Asia," 23 February, 2004 [www.europa.eu.int](http://www.europa.eu.int)

<sup>262</sup> Ibid.

<sup>263</sup> Radio Televisione Italiana, "Aids, al via i test del vaccino preventivo 'made in Europe.'" 15 May 2003, [rai.it/news/articolonews/0,9217,59864,00.html](http://rai.it/news/articolonews/0,9217,59864,00.html).

## 2003 Evian Final Compliance Report Crime: Terrorist Financing

### Commitment

2003 — 36: “We reaffirm our commitment to fight financial abuses and to encourage wider accession to and ratification of the U.N. Convention on Transnational Organized Crime so that money laundering, corruption and other relevant crimes are universally criminalized and that all countries have the power to identify, trace, freeze or seize and ultimately confiscate and dispose of assets from the proceeds of these crimes.”

### Background

At the 2003 Evian Summit, G8 Members placed a strong emphasis on ensuring that financial resources in this area were directed towards their intended purpose, primarily through increased transparency and accountability. As a measure of this goal, the leaders committed to fighting transnational crime and recognized the initiatives already made in this area under the auspices of the United Nations. This commitment was reiterated in the communiqué of the Justice and Home Affairs Ministers meeting that took place in Washington on May 11, 2004. Efforts to enhance investigative and judicial measures against transnational crime, named as a priority in the communiqué itself, were further elaborated on in documents recommending special investigative techniques and means to recover the proceeds of corruption. The United Nations Convention Against Corruption, which was adopted by the UN General Assembly on October 31, 2003,<sup>264</sup> was given strong and unequivocal support in the final document.

On September 29, 2003, the United Nations Convention Against Transnational Organized Crime entered into force, having received the minimum 40 ratifications required as of July 2003. This agreement represents a significant achievement between states in the fight against organized crime, and presents several measures to cooperate against specific activities such as money laundering, corruption, and the obstruction of investigations or persecutions. The Convention was first officially adopted by the UN General Assembly at the Millennium Assembly in November 2000. Among the G8 members, all are signatories but few have ratified the agreement to date.

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany	-1		
Italy	-1		
Japan	-1		
Russia	-1		
United Kingdom	-1		
United States	-1		

<sup>264</sup> United Nations Convention Against Corruption, Background, [www.unodc.org/unodc/en/crime\\_convention\\_corruption.html](http://www.unodc.org/unodc/en/crime_convention_corruption.html)

Overall			-0.50
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## Individual Country Compliance Breakdown

### 1. Canada: +1

The Canadian government ratified the UN Convention on Transnational Organized Crime on May 13, 2002, thus fulfilling a key element of its commitment as a G8 member. In addition, it has made several moves to reinforce its commitment. In so doing, their focus has rested mainly on financial transactions and in establishing the means to ensure greater security.

As early as 1998, former Solicitor General Andy Scott identified the actions taken by Canada in this area, citing the need for a strategic partnership between different levels of government in Canada. He pointed out that even in 1996, the Canadian Security Intelligence Service (CSIS) had established a Transnational Criminal Activity Unit.<sup>265</sup> Within the North American context, Canada works with the United States on an ongoing basis under the Canada-U.S. Cross-Border Crime Forum as well as the Canada-U.S. Integrated Border Enforcement Teams.<sup>266</sup>

Canada has provided financial assistance for teams of professionals to participate and cooperate across sectors in investigations of organized crime in its Budget Plan for 2003.<sup>267</sup> Canada has also streamlined its efforts and coordination amongst departments against transnational crime, with Prime Minister Paul Martin's introduction of the Department of Public Safety and Emergency Preparedness in December 2003.

### 2. France: +1

Having ratified the U.N. Convention against Transnational Organized Crime by October 29, 2002, France has essentially satisfied its 2003 Evian Summit commitment to fighting financial abuses and terrorist financing abroad.<sup>268</sup> President Chirac, speaking at a press conference on E.U. enlargement April 29, 2004, proposed that a "strong and secure" Europe would help to "more effectively fight against terrorism, illegal immigration, [as well as] trafficking linked to organized crime."<sup>269</sup> On May 1, 2004, the French Ministry of Foreign Affairs website posted a statement echoing these comments, suggesting that integration would further encourage the development of a co-operative, "common judicial and security policy." Moreover, it is hoped that this eventual collective security arrangement might reinforce the ability of all Europeans to "combat menaces like terrorism, organized crime and drug trafficking."<sup>270</sup>

<sup>265</sup> Transnational Criminal Activity, Revised March 2003, "The Hon. Andy Scott, former Solicitor General, Speech to the Throne, 30 April 1998, [www.csis-scrs.gc.ca/eng/backgrnd/back10\\_e.html](http://www.csis-scrs.gc.ca/eng/backgrnd/back10_e.html)

<sup>266</sup> Facts about Organized Crime in Canada, Public Safety and Emergency Preparedness Canada, [www.psepc-sppcc.gc.ca/policing/organized\\_crime/FactSheets/org\\_crime\\_e.asp](http://www.psepc-sppcc.gc.ca/policing/organized_crime/FactSheets/org_crime_e.asp)

<sup>267</sup> Department of Finance Canada: "The Budget Plan 2003", [www.fin.gc.ca/budget03/pdf/bp2003e.pdf](http://www.fin.gc.ca/budget03/pdf/bp2003e.pdf)

<sup>268</sup> United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," [www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)

<sup>269</sup> Ministère des Affaires Étrangères, "EU Enlargement – EU Enlargement / Press conference on Europe by President Jacques Chirac (29 April 2004)," [www.france.diplomatie.fr/actu/article.gb.asp?ART=41897](http://www.france.diplomatie.fr/actu/article.gb.asp?ART=41897)

<sup>270</sup> Ministère des Affaires Étrangères, "FAQ – Will a 25-member Union be more capable of combating such global evils as terrorism, criminal acts and drug trafficking? (1 May 2004)," [www.](http://www.)

### 3. Germany: -1

Although Germany has emphasized the imperative of cooperation in this context, its ratification of the United Nations Convention on Transnational Crime remains absent. Germany became a signatory of the Convention on December 12, 2000.<sup>271</sup> Germany has been supportive of efforts towards the UN Convention Against Corruption, and of the G8's Financial Action Task Force. On the occasion of the signing of the UN Convention Against Corruption on December 10, 2003, Ambassador Dr. Eberhard Kolsch referred to the German government's special concern to counteract dangerous instability with the rule of law, sound public infrastructure, and the promotion of development. He committed the German Federal government to aiding states to implement this convention.

As a leading member of the European Union, Germany has given strong emphasis in this field to the conventions of the Council of Europe against money laundering crimes and cyber crime.<sup>272</sup> Germany also commends the work of the Council of the Baltic Sea States' Task Force Organized Crime, which consolidates the efforts of all countries in this region to combat crime. As a member of this international body, Germany supports cooperative efforts between the CBSS and the Organization for Economic Cooperation and Development (OECD) as encouraged in the Pori Declaration from the CBSS' 12<sup>th</sup> Ministerial in June 2003.<sup>273</sup> Taken together, Germany's support contributes significantly to international and regional efforts to combat transnational crime, however, its' failure to ratify the UN Convention on Transnational Crime corresponds to a negative score for this commitment.

### 4. Italy: -1

Italy has not fulfilled its 2003 Evian Summit commitment to combat terrorist financing, given that it has yet to ratify the UN Convention against Transnational Organized Crime.<sup>274</sup> However, on February 11, 2004, Italian Minister for Foreign Affairs, Franco Frattini met with Colombian Minister for Foreign Affairs, Carolina Barco, allowing Frattini to reaffirm his country's pledge to improve counter-terrorism and to end drug trafficking efforts with the assistance of the UNODC.<sup>275</sup> In March 2004, Frattini again expressed the need to strength European cooperation in the struggle against terrorism.<sup>276</sup> He called upon EU member states on April 1, 2004, declaring their common need to ensure a "strong commitment to guaranteeing conditions of [legal]

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diplomatie.gouv.fr/actu/article.GP.asp?ART=41944

<sup>271</sup> United Nations Office on Drugs and Crime, "United Nations Convention Against Transnational Organized Crime" [www.unodc.org/unodc/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/crime_cicp_signatures_convention.html)

<sup>272</sup> German Foreign Ministry, German Foreign Policy, "Convention of the Council of Europe" in International Cooperation in Combating Organized Crime, [www.auswaertiges-amt.de/www/en/aussenpolitik/vn/org\\_kriminalitaet\\_html#8](http://www.auswaertiges-amt.de/www/en/aussenpolitik/vn/org_kriminalitaet_html#8)

<sup>273</sup> Council of the Baltic Sea States, 12th Ministerial Session, Communiqué, [www.auswaertiges-amt.de/www/en/aussenpolitik/regionalkonzepte/ostseerat/pori\\_declaration\\_html](http://www.auswaertiges-amt.de/www/en/aussenpolitik/regionalkonzepte/ostseerat/pori_declaration_html)

<sup>274</sup> United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," [www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)

<sup>275</sup> Ministero degli Affari Esteri, "11 February 2004," <[www.esteri.it](http://www.esteri.it)>

<sup>276</sup> Ministero degli Affari Esteri, "17 March 2004," <[www.esteri.it](http://www.esteri.it)>

stability and development in neighboring areas, [particularly] in those most important to European security.”<sup>277</sup>

Although Italy has not ratified the UN Convention on Transnational Crime, it continues to show support and some level of commitment in several ways. In February 2004, the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime (established by the General Assembly in December 1998) held its 13<sup>th</sup> session in Vienna. The Chairman of the board, Italian Luigi Augusto Lauriola, demonstrated his countries’ support for the convention through various statements. Apart from urging those states that had not yet ratified to do so, the Chairman also stressed the importance of effective implementation by the states for the future of the Convention.<sup>278</sup> The Committee also planned for the first session of the Conference of the Parties to the United Nations Convention against Transnational Organized Crime in June, 2004.<sup>279</sup> On May 14, 2004, all thirty-three members of the Financial Action Task Force on money laundering, of which Italy is a member, will meet in Paris to discuss the future of the task force and review the task of the FATF’s mandate to combat money-laundering.<sup>280</sup>

## 5. Japan: -1

Japan has not complied with this commitment, having failed to ratify the UN Convention on Transnational Crime. Regardless, the Convention entered into force with the necessary 40 ratifications on 29 September 2003. Japan signed the Convention on December 12, 2000.

Nonetheless, Japan has indicated its desire to combat such crimes on a regional basis. On December 10, 2003, Prime Minister Junichiro Koizumi outlined Japan’s desire to cooperate with the Association of South East Asian Nations (ASEAN) to respond to the economic threat of terrorism.<sup>281</sup> On January 10, 2004, the First ASEAN Plus Three Ministerial Meeting on Transnational Crime took place. In the Joint Communiqué, participants committed to strengthen their cooperation on these matters as well as to work towards the establishment of an ASEAN Security Community. Ministers there recognized the root of these crimes as poverty and the development gap, and noted that such problems can be ameliorated within a framework of ASEAN Plus Three cooperation.<sup>282</sup>

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<sup>277</sup> Ministero degli Affari Esteri, “Europe’s growing role (1 April 2004),” <[www.esteri.it](http://www.esteri.it)>

<sup>278</sup> United Nations Office on Drugs and Crime, “13th Session of the Ad Hoc Committee to prepare the draft text of the Rules of Procedure for the Conference of the Parties to the UN Convention against Transnational Organized Crime,” [www.unodc.org/pdf/ctoccop\\_2004\\_02/V0451241E.pdf](http://www.unodc.org/pdf/ctoccop_2004_02/V0451241E.pdf)

<sup>279</sup> United Nations Office on Drugs and Crime, “13th Session of the Ad Hoc Committee to prepare the draft text of the Rules of Procedure for the Conference of the Parties to the UN Convention against Transnational Organized Crime,” [www.unodc.org/pdf/ctoccop\\_2004\\_02/V0451241E.pdf](http://www.unodc.org/pdf/ctoccop_2004_02/V0451241E.pdf)

<sup>280</sup> Financial Action Task Force, “Ministers of the FATF to meet in Paris 14 May, 2004,” [www1.oecd.org/fatf/pdf/PR-20040506\\_en.PDF](http://www1.oecd.org/fatf/pdf/PR-20040506_en.PDF)

<sup>281</sup> Speech by Prime Minister Junichiro Koizumi at the ASEAN-Japan Investment-Business Alliance Seminar (AJBIS), [www.kantei.go.jp/foreign/koizumispeech/2003/12/10speech\\_e...](http://www.kantei.go.jp/foreign/koizumispeech/2003/12/10speech_e...)

<sup>282</sup> Joint Communiqué, The First ASEAN Plus Three Ministerial Meeting on Transnational Crime (AMMTC+3), Bangkok, 10 January 2004, [www.aseansec.org/15645.htm](http://www.aseansec.org/15645.htm)

Japan also committed the 11<sup>th</sup> APEC Economic Leaders' Meeting in late 2003 to work with the Asian Development Bank "to support projects that enhance port security, combat terrorist finance, and achieve other counter-terrorism objectives."<sup>283</sup>

## 6. Russia: -1

Russia has not ratified the UN Convention on Transnational Crime, which it signed on December 12, 2000, thus receiving a score in the negative range.<sup>284</sup> Despite its failure to ratify the treaty, it has demonstrated commitment to the Convention in several ways. Its attendance at the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime from February 2-6, 2004 indicates some degree of participation, although the meeting was attended by 94 states (the treaty includes 147 signatories). On May 14, 2004, all 33 members of the Financial Action Task Force on money laundering, of which Russia is a member, will meet in Paris to discuss the future of the task force and review its mandate to combat money-laundering.<sup>285</sup>

## 7. United Kingdom: -1

Upon final analysis, one might conclude that the U.K. has not fulfilled its 2003 Evian Summit commitment to fight terrorist financing, as it has not yet ratified the UN Convention against Transnational Organized Crime.<sup>286</sup> February 9<sup>th</sup> of 2004 met with the creation of the new UK-wide Serious Organized Crime Agency. This initiative was taken in order to bring together experts and policy from the National Criminal Intelligence Service, the National Crime Squad, Home Office work on immigration crime as well as HM Customs and Excise intelligence on drug trafficking and recovering criminal assets.<sup>287</sup> The Proceeds of Crime Act — designed to motivate police to seize, confiscate and recover even more criminally acquired wealth — was announced by Home Office Minister, Caroline Flint, on February 24<sup>th</sup>. She stated that "criminals [were] beginning [to feel] the pain of having their assets frozen, seized and confiscated on a greater scale than ever before."<sup>288</sup> Moreover, a national debate exploring how to deal with international terrorism while retaining personal rights and freedoms was launched by Home Secretary David Blunkett on February 25<sup>th</sup>.<sup>289</sup> In March, Blunkett also called for closer co-operation between European states to combat the threat of terrorism and oversaw a £15m allocation to increase the number of special branch officers.<sup>290</sup> Following the March 30<sup>th</sup> capture

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<sup>283</sup> Bangkok Declaration on Partnership for the Future, [www.kantei.go.jp/foreign/koizumispeech/2003/10/21sengen\\_...](http://www.kantei.go.jp/foreign/koizumispeech/2003/10/21sengen_...)

<sup>284</sup> United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," [www.unodc.org/unodc/en/crim\\_ciicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crim_ciicp_signatures_convention.html)

<sup>285</sup> Financial Action Task Force, "'Ministers of the FATF to meet in Paris 14 May, 2004,'" [www1.oecd.org/fatf/pdf/PR-20040506\\_en.PDF](http://www1.oecd.org/fatf/pdf/PR-20040506_en.PDF)

<sup>286</sup> United Nations Office on Drugs and Crime, "United Nations Convention against Transnational Organized Crime," [www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html)

<sup>287</sup> 10 Downing Street, "New organised crime agency unveiled (9 February 2004)," [www.number-10.gov.uk/output/page5329.asp](http://www.number-10.gov.uk/output/page5329.asp)

<sup>288</sup> Home Office, "Inside the Home Office – New Police Scheme to Keep Criminal Proceeds Taking the Profit out of Crime – One Year On (24 February 2004)," [www.homeoffice.gov.uk/n\\_story.asp?item\\_id=828](http://www.homeoffice.gov.uk/n_story.asp?item_id=828)

<sup>289</sup> 10 Downing Street, "Home Secretary urges terror debate (25 February 2004)," [www.Number-10.gov.uk/output/page5404.asp](http://www.Number-10.gov.uk/output/page5404.asp)

<sup>290</sup> 10 Downing Street, "Anti-terror authorities get extra £15m (19 March 2004)," [www.number-10.gov.uk/output/page5532.asp](http://www.number-10.gov.uk/output/page5532.asp)

of eight British terrorist suspects, the Home Secretary again urged people to remain vigilant and report any suspicious activity to police through an anti-terrorist hotline.<sup>291</sup> By the end of the month, “Operation Payback” — a drive to collect unpaid court fines — had begun to highlight the continued English campaign to recover criminal assets and prevent money laundering.<sup>292</sup>

Foreign Office Minister Bill Rammell’s travels through Afghanistan during the first week of May were done in an effort to evaluate the progress of current UK-funded, drug trade-tackling, sustainable development programs.<sup>293</sup> May 15<sup>th</sup>, however, has met with the true launching of Home Secretary Blunkett’s March 2004 parliamentary report,<sup>294</sup> “One Step Ahead: A 21<sup>st</sup> Century Strategy to Defeat Organized Criminals.” Public consultation on this White Paper, however, is open until July 30<sup>th</sup>.<sup>295</sup> Essentially, the strategy calls for the introduction of new legal powers; a better, more strategic use of existing powers and the creation of the powerful new Serious Crime Agency (SOCA).<sup>296</sup> Blunkett has proposed that his strategy will ultimately “reduce the harm organized crime causes on [UK] streets and make the UK one of the most difficult environments in the world for organized criminals to operate.”<sup>297</sup>

## 8. United States: -1

The United States has not ratified the UN Convention on Transnational Crime that it signed on December 13, 2000, thereby receiving a score in the negative range.<sup>298</sup> Despite this failure, the United States has demonstrated some degree of commitment that should be recognized. In the 94 attending parties at the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime in February 2004, the United States’ attendance was noted. On May 14, 2004, all thirty-three members of the Financial Action Task Force on money-laundering, of which the United States is a member, will meet in Paris to discuss the future of the task force and review the task of the FATF’s mandate to combat money-laundering.<sup>299</sup>

Compiled by:  
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<sup>291</sup> 10 Downing Street, “Arrest of terror suspects a ‘timely reminder’ (30 March 2004),” [www.number-10.gov.uk/output/page5595.asp](http://www.number-10.gov.uk/output/page5595.asp)

<sup>292</sup> 10 Downing Street, “Court fine clampdown begins (22 March 2004),” [www.number-10.gov.uk/output/page5543.asp](http://www.number-10.gov.uk/output/page5543.asp)

<sup>293</sup> 10 Downing Street, “UK funds fight Afghan drug trade (5 May 2004),” [www.number-10.gov.uk/output/page5741.asp](http://www.number-10.gov.uk/output/page5741.asp)

<sup>294</sup> Home Office, “One Step Ahead – A 21st Century Strategy to Defeat Organised Crime (March 2004),” [www.homeoffice.gov.uk/docs3/wp\\_organised\\_crime.pdf](http://www.homeoffice.gov.uk/docs3/wp_organised_crime.pdf)

<sup>295</sup> Home Office, “White Paper on Organised Crime Consultation Document (26 March 2004),” [www.homeoffice.gov.uk/docs3/whitepaper\\_consultation\\_intro.html](http://www.homeoffice.gov.uk/docs3/whitepaper_consultation_intro.html)

<sup>296</sup> 10 Downing Street, “New strategy to combat organised crime (15 May 2004),” [www.number-10.gov.uk/output/page5589.asp](http://www.number-10.gov.uk/output/page5589.asp)

<sup>297</sup> Home Office, “Inside the Home Office – One Step Ahead: A 21<sup>st</sup> Century Strategy to Defeat Organized Criminals (29 March 2004),” [www.homeoffice.gov.uk/n\\_story.asp?item\\_id=896](http://www.homeoffice.gov.uk/n_story.asp?item_id=896)

<sup>298</sup> United Nations Office on Drugs and Crime, “United Nations Convention against Transnational Organized Crime,” [www.unodc.org/unodc/en/crim\\_ciicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crim_ciicp_signatures_convention.html)

<sup>299</sup> Financial Action Task Force, “Ministers of the FATF to meet in Paris 14 May, 2004,” [www1.oecd.org/fatf/pdf/PR-20040506\\_en.PDF](http://www1.oecd.org/fatf/pdf/PR-20040506_en.PDF)



## 2003 Evian Final Compliance Report Terrorism: Counter-Terrorism Action Group

### Commitment

2003-150: “The G8 will create a Counter-Terrorism Action Group, to focus on building political will, co-ordinating capacity building assistance where necessary. Other states, mainly donors, will be invited to join the group. A representative of the CTC will be invited to CTAG meetings. Representatives from relevant UN bodies, IFIs and other regional and functional organizations will be invited to relevant meetings (first meeting to be held by July 15).”

### Background

This commitment represents an effort on behalf of the international community — and particularly the G8 — to coordinate international counter-terrorism activities as a means of eradicating the root causes of terrorism world-wide and ensuring that a repeat of September 11, 2001 does not occur in the free world.

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union*			+1*
Overall (not including EU score)			+1.00

### Individual Country Compliance Breakdown:

#### 1. Canada: +1

Canada’s commitment to combating terrorism was reaffirmed in statements following the Asia Pacific Economic Coordination (APEC) Summit in November 2003. Canada pledged to help with capacity-building in Southeast Asia, which included a pledge to “increase and better coordinate counter-terrorism activities, where appropriate, through effective collaboration, technical assistance and capacity building between APEC’s Counter-Terrorism Task Force, the Counter-Terrorism Action Group of the G8, the UN Security Council Counter-Terrorism Committee and other relevant international, regional and functional organizations,” (Action Group Against Terrorism, Statements by the Ministry of Foreign Affairs Spokesperson, November 18, 2003 [www.diplomatie.gouv.fr/actu/article.gb.asp?n=38612](http://www.diplomatie.gouv.fr/actu/article.gb.asp?n=38612)). Canada was also present at the November 17, 2003, CTAG meeting in Paris (Ibid. This information was echoed in a phone conversation on January 9, 2004 with Cathleen Bryden of the Canadian Department of Foreign Affairs International Crime and Terrorism Division.) This was confirmed in a phone

conversation on January 9, 2004, with Cathleen Bryden of the International Crime and Terrorism Division at the Department of Foreign Affairs and International Trade, who was also present at the first meeting in July 2003.

The Government of Canada has also taken concrete steps toward creating policies directed at strengthening border security of its marine ports and border checkpoints. The Budget for 2004 has allocated Cdn\$605 million to be distributed over the next five years for security<sup>300</sup>. These funds will be used to address security priorities in areas related to Counter-Terrorism measures such as intelligence enhancement, marine security, integrated threat assessments, cyber security, emergency response and enhanced co-ordination of systems. On May 7, 2004, the Government of Canada announced that it will assist Canadian ports with the cost of modernizing and strengthening their security systems and programs. The creation of “The Marine Facility Security Contribution Program” is scheduled to be a three-year, Cdn\$115 million, commitment to assist ports and port facilities with security enhancements.<sup>301</sup> In complying with new international security requirements, the Government of Canada has required ports and port facilities to have approved security plans in place and operational by July 1, 2004<sup>302</sup>.

Also concerning transportation and border security enhancement, Canada has pledged to continue to strengthen and engage its North American partners in talks to broaden the Canada-US Smart Borders Action Plan to include other new areas of concern in countering terrorist activities, such as bio-security, food safety, cyber-security, and public health.<sup>303</sup> On April 27, 2004, Deputy Prime Minister Anne McLellan announced Canada’s first comprehensive policy statement on national security entitled “Securing An Open Society: Canada’s National Security Policy.”<sup>304</sup> This policy set out a strategy and action plan for Canada designed to address current and possible terrorist threats in the future. Some of these measures include: the creation of a permanent, high-level federal-provincial-territorial forum on national emergencies that will allow for regular strategic dialogue on emergency management issues between central organizations; the implementation of a National Security Advisory Council and; the creation of a cross-cultural Roundtable on Security, designed to more effectively engage Canada’s ethno-cultural and religious communities in the security dialogue.<sup>305</sup>

In terms of enhancing cross-border intelligence capabilities in the area of transport security, Canada has pledged Cdn\$10.31 million to implement a Passport Security Strategy, which includes facial recognition biometric technology on the Canadian Passport, in-line with international standards and those already in practice in the US.<sup>306</sup> Canada has also stated that it will spend Cdn\$30 million and Cdn\$14.95 million to create an Integrated Threat Assessment Centre and Government Operations Centre to improve information sharing and dissemination of

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<sup>300</sup> Marine Security Contribution Program Announced, [www.tc.gc.ca/mediaroom/releases/nat/2004/04-gc005ae.htm](http://www.tc.gc.ca/mediaroom/releases/nat/2004/04-gc005ae.htm).

<sup>301</sup> Ibid.

<sup>302</sup> Ibid.

<sup>303</sup> Government of Canada releases comprehensive National Security Policy, [pm.gc.ca/eng/news.asp?id=186](http://pm.gc.ca/eng/news.asp?id=186)

<sup>304</sup> Ibid.

<sup>305</sup> Ibid.

<sup>306</sup> Ibid.

threat information and better coordinate responses between various governments and international organizations.<sup>307</sup>

Finally, in terms of Canada's compliance with its 2003 G8 commitment towards Counter Terrorism, the Government of Canada has vowed to invest an estimated \$20.6 million Canadian into 24 new strategic projects of the Chemical, Biological, Radiological and Nuclear Research & Technology Initiative (CRTI), a Government of Canada initiative created to prepare for and respond to chemical, biological, radiological and nuclear threats<sup>308</sup>. On April 26, 2004, the Government of Canada announced that twelve research and technology projects will receive \$18.4 million and twelve equipment acquisition projects will receive \$2.2 million.<sup>309</sup> Therefore, Canada's actions in terms of enhancing bio-security, as well as its work to enhance other security areas such as marine and border security, cross border intelligence sharing and biometric identification on Canadian passports have illustrated Canada's compliance with its G8 commitment to a Counter-Terrorism Action Group G8 initiative.

## **2. France: +1**

France has focused on the coordination of EU efforts and intelligence in attacking and weeding out terrorist activity. With the railway attacks in Madrid this past Spring, France has had to reevaluate its resources and current anti-terrorism strategy, given that it has the second largest rail network in Europe. Although its strategy is currently quite effective, there are a number of concerns that have arisen in recent months that will ensure its reevaluation. One is recent threats of Muslim terrorist activities because of the ban of the Muslim headscarf.<sup>310</sup>

The second big concern is the recent wave of anti-Semitic behaviour in France. With Europe's largest Jewish and Muslim populations and growing concerns over the instability and hostility in the Middle-East, this is something the French authorities must seriously take into consideration.

## **3. Germany: +1**

The Counter-Terrorism Action Group held its second session in Paris, on November 17, 2003. Germany participated in the CTAG sessions with the other G8 members as well as Australia and Switzerland.<sup>311</sup> Germany has remained committed to counter-terrorism internationally. The German Bundestag [the lower house of the German parliament] agreed on November 5, 2003, to extend Germany's military commitment to operation "Enduring Freedom" for another year;<sup>312</sup> the agreement entails the supply of up to 3,100 soldiers for the operation.<sup>313</sup> On September 29,

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<sup>307</sup> Ibid.

<sup>308</sup> CRTI Announces \$20.6 Million for Counter-Terrorism Science and Technology  
[www.forces.gc.ca/site/newsroom/view\\_news\\_e.asp?id=1360](http://www.forces.gc.ca/site/newsroom/view_news_e.asp?id=1360).

<sup>309</sup> Ibid.

<sup>310</sup> [www.nationalreview.com/comment/feder200404260843.asp](http://www.nationalreview.com/comment/feder200404260843.asp).

<sup>311</sup> Ministère des Affaires étrangères, "Statements by the Ministry of Foreign Affairs Spokesperson," November 18, 2003 [www.diplomatie.gouv.fr/actu/article.gb.asp?art=38612](http://www.diplomatie.gouv.fr/actu/article.gb.asp?art=38612)

<sup>312</sup> German Federal Government and Chancellor (Bundesregierung), "Einsatz der Bundeswehr innerhalb von "Enduring Freedom," November 5, 2003, [www.bundesregierung.de/Nachrichten-,417.65262/artikel/Einsatz-der-Bundeswehr-innerha.htm](http://www.bundesregierung.de/Nachrichten-,417.65262/artikel/Einsatz-der-Bundeswehr-innerha.htm).

<sup>313</sup> Ibid.

2003, Germany handed over control of Task Force 150 to France. This force supports the war against international terrorism under the aegis of operation “Enduring Freedom”.<sup>314</sup> German Minister of Defence, Dr. Peter Struck, declared on November 7, 2003, that the “containment of international Terrorism is in the foreseeable future the central security challenge of all democracies”. Struck noted further that facing this challenge will require more than just a military component.<sup>315</sup> The minister added that political, financial, and social elements are a part of confronting international terrorism. The German role in Afghanistan is a key component of Germany’s commitment to the task of international cooperation against terrorism. German Foreign Minister Joschka Fischer noted in a November 20, 2003, address at Princeton University, that the United Nations continues to play a “key role” in the fight against international terrorism.<sup>316</sup> Germany supports a concerted global effort to addressing the challenge of international terrorism. Dual support of the UN Counter Terrorism Committee [CTC], and the multilateral operation “Enduring Freedom” are convincing evidence of German compliance with the G8 commitment. However, the Federal government needs to increase its dissemination of public information pertaining to the role it plays in countering terrorism.

More recently, events in Europe have created a much more concerted vocal effort within Europe to organize against the threat of terrorism. The bombings on March 11, 2004 in Madrid crystallized for Europeans their collective vulnerability. Germany was on of the G8 States, that on May 11 at a meeting of G8 Ministers for justice and home affairs agreed on new means for greater co-operation and intelligence-sharing to tackle international terrorism, organized crime and corruption.<sup>317</sup> They agreed there to share information about lost and stolen passports and vowed to work together to secure borders, ports and skies to help thwart terrorism.<sup>318</sup> The G8 group also recommended that each country also should ensure it can legally use a variety of “special investigative techniques” such as wiretaps, audio and visual surveillance and interception of electronic communications.<sup>319</sup>

#### **4. Italy: +1**

The Counter-Terrorism Action Group held its second session in Paris, on November 17, 2003. Italy participated in the CTAG sessions with the other G8 members as well as Australia and Switzerland.<sup>320</sup> Under the guidance of the Italian presidency of the European Union [EU], the EU Commission has put forward several proposals aimed at eliminating legal loopholes in the EU regarding terrorist offences.<sup>321</sup> Furthermore, a declaration issued by the Italian EU Presidency on

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<sup>314</sup> Ibid.

<sup>315</sup> German Federal Ministry of Defence (Bundesverteidigungsministerium), “Verlängerung von Enduring Freedom - Rede des Bundesminister für Verteidigung, Dr. Peter Struck, am 07.11.2003 im Reichstag (Bundestagsdebatte),“November 7, 2003, [www.bmvg.de/archiv/reden/minister/031107\\_ef.php](http://www.bmvg.de/archiv/reden/minister/031107_ef.php)

<sup>316</sup> Frankfurter Allgemeine Zeitung, “Fischer fordert neue strategische Allianz,” November 20, 2003, [www.faz.net](http://www.faz.net)

<sup>317</sup> G8 nations agree closer security cooperation 12 May 2004: [www.4ni.co.uk/nationalnews.asp?id=29029](http://www.4ni.co.uk/nationalnews.asp?id=29029)

<sup>318</sup> G8 pledges to co-operate in bid to thwart terrorists, *Globe and Mail*, May 12, 2004:

[www.theglobeandmail.com/servlet/ArticleNews/TPStory/LAC/20040512/WORLD12-2/TPInternational/Briefs](http://www.theglobeandmail.com/servlet/ArticleNews/TPStory/LAC/20040512/WORLD12-2/TPInternational/Briefs)

<sup>319</sup> [www.firstcoastnews.com/news/georgia/news-article.aspx?storyid=18538](http://www.firstcoastnews.com/news/georgia/news-article.aspx?storyid=18538)

<sup>320</sup> Ministère des Affaires étrangères, “Statements by the Ministry of Foreign Affairs Spokesperson,” November 18, 2003, [www.diplomatie.gouv.fr/actu/article.gb.asp?art=38612](http://www.diplomatie.gouv.fr/actu/article.gb.asp?art=38612)

<sup>321</sup> EurActiv – Security & Defence, “Fight against terrorism,” November 6, 2003, [www.euractiv.com/cgi-bin/cgint.exe?204&OIDN=2000466&-home=home](http://www.euractiv.com/cgi-bin/cgint.exe?204&OIDN=2000466&-home=home)

September 11, 2003, confirmed the EU's commitment to the fight against terrorism.<sup>322</sup> In recent months, Italy has received international media attention over a series of terrorist threats, attacks, and arrests of suspects. On June 24, 2003, authorities in Italy launched several police raids resulting in the arrests of six people suspected of ties to international terrorism.<sup>323</sup> A terrorist attack on November 18, 2003, resulted in Italy suffering its single worst military loss since World War II. The attack killed 17 Italian soldiers in Iraq.<sup>324</sup> Furthermore, prosecutors in Milan issued five arrest warrants against suspected militants on November 29, 2003.<sup>325</sup> Although the terrorist attack of November 18, 2003 was a catastrophic loss for a country whose government supported the war in Iraq, and whose people largely opposed it, Italy has remained committed to international efforts that fight terrorism.<sup>326</sup> The Italian government continues to support the U.S. led operation "Enduring Freedom" and remains active in the EU's regional counter-terrorism efforts. Italy has complied with its summit commitments pertaining to terrorism.

More recently, events in Europe have created a much more concerted vocal effort within Europe to organize against the threat of terrorism. The bombings on March 11, 2004, in Madrid crystallized for Europeans their collective vulnerability. Germany was one of the G8 States, that on May 11, 2004, at a meeting of G8 Ministers for justice and home affairs agreed on new means for greater co-operation and intelligence-sharing to tackle international terrorism, organized crime and corruption.<sup>327</sup> They agreed there to share information about lost and stolen passports and vowed to work together to secure borders, ports and skies to help thwart terrorism.<sup>328</sup> The G8 group also recommended that each country also should ensure it can legally use a variety of "special investigative techniques" such as wiretaps, audio and visual surveillance and interception of electronic communications.<sup>329</sup>

## 5. Japan: +1

Since the creation of the Counter-Terrorism Action Group (CTAG) at the Evian Summit, Japan, as a G8 member, has participated in both meetings of CTAG that have taken place so far.<sup>330</sup> Japan has also reaffirmed its commitment to the work and success of the CTAG through various declarations and statements.

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<sup>322</sup> The U.S. Mission to the E.U., "Declaration by the Italian EU Presidency on the Sept. 11 Anniversary, Sept. 11, 2003 [www.useu.be/Terrorism/EUResponse/Sept1103EUDeclarationSept11.html](http://www.useu.be/Terrorism/EUResponse/Sept1103EUDeclarationSept11.html)" October 29, 2003

<sup>323</sup> CNN World, "Six seized in Italy terror sweep," June 24, 2003, [www.cnn.com/2003/WORLD/europe/06/24/italy.arrests/index.htm](http://www.cnn.com/2003/WORLD/europe/06/24/italy.arrests/index.htm)

<sup>324</sup> The Guardian, 25 killed in Iraq blast, November 12, 2003, [www.guardian.co.uk/Iraq/Story/0,2763,1083284,00.html](http://www.guardian.co.uk/Iraq/Story/0,2763,1083284,00.html)

<sup>325</sup> CNN World, "Italy terror suspects arrested," November 29, 2003, [www.cnn.com/2003/WORLD/europe/11/29/italy.terror/](http://www.cnn.com/2003/WORLD/europe/11/29/italy.terror/)

<sup>326</sup> Associated Press, "Italy Vows to Keep Up Terror Fight," November 12, 2003 [www.foxnews.com/story/0,2933,102884,00.html](http://www.foxnews.com/story/0,2933,102884,00.html)

G8 Research Group: Interim Compliance Report, February 7, 2004 66

<sup>327</sup> G8 nations agree closer security cooperation 12 May 2004: [www.4ni.co.uk/nationalnews.asp?id=29029](http://www.4ni.co.uk/nationalnews.asp?id=29029)

<sup>328</sup> G8 pledges to co-operate in bid to thwart terrorists, Globe and Mail, May 12, 2004: [www.theglobeandmail.com](http://www.theglobeandmail.com)

<sup>329</sup> [www.firstcoastnews.com/news/georgia/news-article.aspx?storyid=18538](http://www.firstcoastnews.com/news/georgia/news-article.aspx?storyid=18538)

<sup>330</sup> Ministry of Foreign Affairs of France, "Statement by the Ministry of Foreign Affairs Spokesperson," Paris, July 1, 2003. [www.france.diplomatie.fr/actu/article.gb.asp?ART=35849](http://www.france.diplomatie.fr/actu/article.gb.asp?ART=35849) ; see also: Ministry of Foreign Affairs of France, "Statement by the Ministry of Foreign Affairs Spokesperson," Paris, November 18, 2003. [www.france.diplomatie.fr/actu/article.gb.asp?ART=38612](http://www.france.diplomatie.fr/actu/article.gb.asp?ART=38612)

In the context of the Second Japan-Russian Consultations on Counter-Terrorism, held in Moscow on June 23 and 24, 2003, Japan has emphasized “the need for the international community, under the leading role of the United Nations, to further consolidate its efforts for the prevention of international terrorism and in the fight against international terrorism.”<sup>331</sup> This demonstrated Japan’s understanding of the importance of close cooperation between the CTAG and the United Nations Counter-Terrorism Committee (UNCTC) in the fight against terrorism. A further indication of this is the affirmation made by the Head of the Japanese Delegation, Ambassador in Charge of International Counter-Terrorism Takahiko Horimura of Japan’s intention to work towards strengthening counter terrorism measures at the bilateral level, but also within the framework of multilateral organizations and forums such as the United Nations, G8 (CTAG), APEC and ARF.<sup>332</sup> He also affirmed the importance of improving counter-terrorism capabilities in developing countries.<sup>333</sup> This statement indicated the complementary nature of Japan’s counter-terrorism policy with the CTAG’s current work in the area of counter-terrorism capacity building in southeast Asia.

Japan’s commitment to the work of the CTAG as it relates to the UNCTC was also expressed by His Excellency Mr. Koichi Haraguchi, Permanent Representative of Japan at the United Nations. In a speech at the July 23, 2003, Public Meeting of the Security Council on Threats to International Peace and Security Caused by Terrorist Acts, he reiterated the importance of a show of political will on the part of the international community “to take forceful counter-terrorism measures, and to have the capacity to implement them.”<sup>334</sup> He also stated that “it is increasingly more important that assistance for capacity-building be extended to developing countries, and Japan greatly appreciates the clearing-house function performed by the [UN]CTC in this regard.”<sup>335</sup> Finally, he also reported that, “Japan, as a member of the G8 and CTAG, continues to cooperate in the activities of the [UN]CTC.”<sup>336</sup> These statements indicate that the Japanese foreign policy line is congruent with the work of the CTAG. Japanese government statements in support of the work of the UNCTC and Japanese backing of G8-UNCTC cooperation such as those of Mr. Haraguchi mirror the mandate of the CTAG, which provides for cooperation with the UNCTC in the work of international counter-terrorism capacity building.

Also in accordance with the CTAG mandate, Japan has contributed to fostering multilateral cooperation between CTAG and regional organizations of which it is also a member, such as APEC. At the August 20, 2003 second meeting of APEC’s Counter Terrorism Task Force (CTTF) in Phuket, Thailand, Japan briefed the gathered diplomats on the outcomes of the first CTAG meeting in Paris, which took place on July 2, 2003.<sup>337</sup> It participated, along with other G8 CTAG representatives, in reaching an agreement of cooperation between the CTTF and

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<sup>331</sup> Ministry of Foreign Affairs of Japan, “Joint Press Statement by Japan and the Russian Federation of the Results of the Japan-Russian Consultations on Counter-Terrorism.” [www.mofa.go.jp/region/europe/russia/consult0306.html](http://www.mofa.go.jp/region/europe/russia/consult0306.html)

<sup>332</sup> Ibid.

<sup>333</sup> Ibid.

<sup>334</sup> Ministry of Foreign Affairs of Japan, “At the Public Meeting of the Security Council on Threats to International Peace and Security Caused by Terrorist Acts.” Statement by H.E. Mr. Koichi Haraguchi, Permanent Representative of Japan at the United Nations. [www.mofa.go.jp/announce/speech/un0307-3.html](http://www.mofa.go.jp/announce/speech/un0307-3.html)

<sup>335</sup> Ibid.

<sup>336</sup> Ibid.

<sup>337</sup> Taiwan Institute of Transportation. “Report on the Second Meeting of the Counter Terrorism Task Force, Phuket, Thailand, 20 August, 2003.”

CTAG.<sup>338</sup> As this agreement includes an invitation for CTAG to attend future CTTF meetings,<sup>339</sup> it is an important one for the work of CTAG, as it will permit the latter to better coordinate its work in capacity-building within APEC countries, specifically southeast Asia. As a member of both APEC and the G8, Japan's contribution to CTAG in the context of such cooperation should prove significant.

In 2004, Japan continued its involvement in the CTAG and two further meetings that took place on February 20, 2004 and on April 16, 2004. Japan has also continued to foster multilateral cooperation between CTAG and APEC. At the 23rd APEC Transportation Working Group Meeting in Beijing, China, which took place from April 19 to 23, 2004, Japan participated in the discussions between CTAG and APEC on port and maritime security for the APEC countries.<sup>340</sup> Moreover, Japan also attended and participated in the February 4-5, 2004, Bali Regional Ministerial Meeting on Counter-terrorism, as part of the CTAG mandate to support counter-terrorism efforts throughout the world. Other CTAG members also attended and participated.<sup>341</sup>

## **6. Russia: +1**

The recent assassination of Chechen President Akhmad Kadyrov at the Victory Day parade bombing has shown that terrorism is still a real and ever present threat to the Russian Federation. Russia has taken an active part in the establishment of the G8 Counter-Terrorism Action Group as a part of its national counter-terrorism strategy.

The Russian Federation has complied with its G8 commitment to build international political will and capacity to combat terrorism and the institution of CTAG. Addressing the press immediately following the Evian Summit, Russian Federation President Putin reiterated Russia's support for the new counter-terrorism body, saying "the Evian meeting on the whole will help strengthen the international antiterrorist coalition, for we understand that the success of the struggle against terror hinges directly on our unity and on the effectiveness of our combined efforts. Set up by a decision of the summit, the G8 group on antiterrorist actions is designed to become a serious instrument; its activities will be closely linked with the Counter-Terrorism Committee of the United Nations Security Council, the main coordinator for the efforts of the world community in this field. I must say that Russia is disposed to actively participate in the work of the new body, and it is only logical that the main focus on our part will be on the CIS space and the zone of operation of the Shanghai Cooperation Organization."<sup>342</sup>

In a statement released on June 23<sup>rd</sup> 2003, the Russian Federation (along with Japan) "affirmed the importance of improving counter-terrorism capabilities in developing countries. In this connection, the two sides shared the view on the importance of cooperation through the Counter-

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<sup>338</sup> Ibid.

<sup>339</sup> Ibid.

<sup>340</sup> 23<sup>rd</sup> APEC Transportation Working Group Meeting. "Counter Terrorism Task Force Report to SOM I Executive Summary," April 19-23, 2004. [www.apec-tptwg.org.tw](http://www.apec-tptwg.org.tw)

<sup>341</sup> Co-chairs' Statement, Bali Regional Ministerial Meeting on Counter-terrorism. February 5, 2004. [www.dfat.gov.au/icat/2004\\_conference/cochair\\_statement.html](http://www.dfat.gov.au/icat/2004_conference/cochair_statement.html)

<sup>342</sup> Russian President Vladimir Putin Remarks at Press Conference Following Group of Eight Heads of State and Government Meeting, Evian, France, June 3, 2003 (excerpted) Russian American Nuclear Security Council. June 3 2003. [www.ransac.org](http://www.ransac.org)

Terrorism Action Group (CTAG), the establishment of which was decided at the G8 Evian Summit.”<sup>343</sup> CTAG was again welcomed by the Russian Federation at the 15<sup>th</sup> APEC Ministerial meeting in late October 2003. At the APEC meeting, the Ministers “welcomed the cooperative efforts of economies and APEC fora to develop targeted capacity building programs, responding to the specific needs contained in the Counter Terrorism Action Plans, to help developing economies implement Leaders’ counter-terrorism commitments. In this context, Ministers welcomed the possibility of technical cooperation, where appropriate, with IFIs and relevant international, regional and functional organizations, including the United Nations Security Council Counter-Terrorism Committee the G-8 Counter-Terrorism Action Group, ASEAN and the OECD Financial Action Task Force.”<sup>344</sup>

The Russian Federation, and all other APEC members agreed to “Increase and better coordinate our counter-terrorism activities, where appropriate, through effective collaboration, technical assistance and capacity building, and cooperation between APEC’s Counter Terrorism Task Force, the Counter Terrorism Action Group (CTAG) of the G-8, the United Nations Security Council Counter Terrorism Committee and other relevant international, regional and functional organizations.”<sup>345</sup> Representatives from the Russian Federation were also present at CTAG’s second session on November 17<sup>th</sup>, 2003.<sup>346</sup> Most recently Russia, along with the other G8 member nations, has agreed on new means of co-operation to fight terrorism. Meeting in Washington in May 2004, Ministers of Justice and Home Affairs from Russia and the other G8 member states agreed to work more closely together to combat international terrorism.<sup>347</sup>

## 7. United Kingdom: +1

Recent, terrorist activity in Spain has underscored the need in the United Kingdom for an effective strategy to combat terror. Following the March 11 terrorist train bombings in Madrid, London police chief Sir John Stevens said police had prevented terrorist attacks in the British capital but that “there is an inevitability that some sort of attack will get through”.<sup>348</sup> Home Secretary David Blunkett has also said there is a “considerable danger” of a terrorist attack.<sup>349</sup>

One of the most effective ways to combat this threat of terrorism is through international co-operation. Following a meeting this May of G8 Ministers for justice and home affairs Hazel Blears, the U.K.’s Minister of State for Crime Reduction, Policing, Community Safety and Counter-Terrorism, stated there is a clear commitment throughout the G8 member countries to

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<sup>343</sup> Joint Press Statement by Japan and the Russian Federation on the Results of the Japan-Russian Consultations on Counter-Terrorism. The Ministry of Foreign Affairs of Japan. June 2003. [www.mofa.go.jp/region/europe/russia/consult0306.html](http://www.mofa.go.jp/region/europe/russia/consult0306.html)

<sup>344</sup> 2003 15th APEC Ministerial Meeting: Joint Statement Summary of Key Issues. APEC. October 2003. [www.apecsec.org.sg/apec/ministerial\\_statements/annual\\_ministerial/2003\\_15th\\_apec\\_ministerial.html](http://www.apecsec.org.sg/apec/ministerial_statements/annual_ministerial/2003_15th_apec_ministerial.html)

<sup>345</sup> Bangkok Declaration on Partnership for the Future. Ministry of Foreign Affairs of the Russian Federation. October 21 2003. [www.in.mid.ru](http://www.in.mid.ru)

<sup>346</sup> Action Group Against Terrorism: Statements by the [French] Ministry of Foreign Affairs Spokesperson. French Ministry of Foreign Affairs. November 18 2003. [www.france.diplomatie.fr/actu/article.gb.asp?ART=38612](http://www.france.diplomatie.fr/actu/article.gb.asp?ART=38612)

<sup>347</sup> G8 nations agree closer security cooperation May 12<sup>th</sup>, 2004. [www.4ni.co.uk/nationalnews.asp?id=29029](http://www.4ni.co.uk/nationalnews.asp?id=29029)

<sup>348</sup> Britain appoints minister for counter-terrorism April 8, 2004 [www.theage.com.au/articles/2004/04/08/1081326834605.html](http://www.theage.com.au/articles/2004/04/08/1081326834605.html)

<sup>349</sup> Ibid.



work together to tackle terrorism and international crime.<sup>350</sup> Blears said “Close co-operation is vital if we are to succeed against those people who seek to destroy our freedoms and way of life.”<sup>351</sup> After the Washington summit, this co-operation now includes “improved cross-border sharing of intelligence information to prevent and disrupt terrorist activity and to prosecute terrorists; effective use of advanced investigative techniques such as interception and undercover agents; measures to combat passport fraud; and an enhanced legal framework with states criminalising and prosecuting a range of terrorist activities, as the UK has achieved with the Terrorism Act 2000.”<sup>352</sup>

The United Kingdom has also committed to the G8 action plan to build international political will and capacity to combat terrorism and the establishment of a G8 Counter Terrorism Action Group to build this will and capacity. Counter-terrorism (CT) is the first (of six) thematic programs funded by the U.K. Foreign and Commonwealth Office’s (FCO) Global Opportunities Fund (GOF). Making the “the world safer from global terrorism and weapons of mass destruction” is the first of the FCO’s designated “highest strategic international priorities for the U.K.”<sup>353</sup> and the GOF Counter terrorism program aims to uphold this pillar, having a stated program objective “[t]o support the FCO’s Strategic Objective No.1: To increase international capacity to Counter Terrorism (CT) and other threats in support of UK bilateral and multilateral security objectives.”<sup>354</sup>

The GOF CT program will, *inter alia*, “seek to support sustainable CT relationships with key countries to develop their long-term counter-terrorism capacity” by delivering providing them bilateral operational CT assistance.<sup>355</sup> Also, the GOF CT program will provide “UNSCR 1373 CT Assistance: In support of the work of the UN Counter-Terrorism Committee, assistance programs are delivered to raise global standards of CT capacity in the areas of CT legislation, combating the financing of terrorism, charity regulation, border control and counter-proliferation.”<sup>356</sup> The United Kingdom has committed to the program £3.2 million for fiscal year 2003/2004 and £6.2 million for fiscal year 2004/2005.<sup>357</sup>

At the second session (on November 17<sup>th</sup> 2003) of the newly formed G8 Counter Terrorism Action Group (CTAG), the two main issues on the agenda were: “the need in the South East Asian countries [for CT aide] and two, technical assistance in the fight against terrorism financing.”<sup>358</sup> The United Kingdom was at these talks, and both South East Asian countries and

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<sup>350</sup> G8 Ministers agree anti-terror measures May 12<sup>th</sup>, 2004. [www.pm.gov.uk/output/Page5791.asp](http://www.pm.gov.uk/output/Page5791.asp)

<sup>351</sup> Ibid.

<sup>352</sup> Ibid.

<sup>353</sup> A Strategy for the FCO: Highlights. Foreign and Commonwealth Office of the United Kingdom.

[www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1067967903739](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1067967903739)

<sup>354</sup> Global Opportunities Fund: Counter Terrorism Program. Foreign and Commonwealth Office of the United Kingdom. Last Modified Dec 12 2003. [www.fco.gov.uk](http://www.fco.gov.uk)

<sup>355</sup> Ibid.

<sup>356</sup> Ibid.

<sup>357</sup> Ibid.

<sup>358</sup> Action Group Against Terrorism: Statements by the [French] Ministry of Foreign Affairs Spokesperson. French Ministry of Foreign Affairs. November 18 2003. [www.france.diplomatie.fr/actu/article.gb.asp?ART=38612](http://www.france.diplomatie.fr/actu/article.gb.asp?ART=38612)

“combating the financing of terrorism” are key target areas/themes for the U.K’s GOF CT program.<sup>359</sup>

By supporting and working with the United Nations Counter Terrorism Committee and seeking to build CT capacity abroad, the United Kingdom is meeting its’ Evian commitments to help build up international political will and capacity to combat terrorism. These commitments are similar to many of the goals of the newly formed CTAG group.

## **8. United States: +1**

The United States has made significant strides to fulfill their goals addressing terrorism. In a joint statement with the EU following the Evian Summit, the US committed to enhancing the coordination of intelligence with their allies, as well as speeding up the extradition of suspects and improving their capacities to share information on suspected terrorist bank accounts.<sup>360</sup> Over the past year the US has also continued to promote the increased use of Special Investigative Techniques, including covert means, in order to gather information on suspected terrorists and terrorist affiliated organizations.<sup>361</sup> Using undercover agents, audio and visual recording devices as well as satellite imagery the US has sought to locate and dismantle terrorist cells worldwide that pose a threat to US national and international interests and security.

The US has also pushed for capacity building in South East Asia and committed US\$5.4 million towards combating money laundering and terrorist financing.<sup>362</sup> In the past two years, the US has frozen or seized nearly US\$200 million in terrorist assets and will likely continue to urge the targeting of specific groups, like Al Qaeda, as well as its supporters, such as Ansar-al-Islam in Iraq, Jemaah Islamiya in Indonesia, and other groups located in Southeast Asia in its efforts to combat international terrorism. APEC’s members also endorsed a US proposal to have APEC’s Counter-Terrorism Task Force collaborate with the G8 Counter-Terrorism Action Group (Ibid), the UN Security Council Counter-Terrorism Committee and other relevant international, regional and functional organizations.<sup>363</sup>

The US has re-affirmed its determination to prevent the infiltration of terrorists or their suspected supporters across American borders and has actively undertaken measures to increase border security measures and prevent the granting of refugee status to those who are deemed perpetrators, organizers or facilitators of international crimes. Finally, in an attempt to counter terrorist activity the US has continued to call for increased bi-lateral information sharing agreements and mechanisms between various border and transportation bodies on specific groups and individuals seeking asylum in G8 countries. Attempts at greater monitoring and the prevention of passport fraud and theft including the creation of internationally standardized

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<sup>359</sup> Global Opportunities Fund: Counter Terrorism Program. Last Modified Dec 12 2003. [www.fco.gov.UK](http://www.fco.gov.UK)

<sup>360</sup> President Bush, European Leaders act to fight Global Terror, [www.whitehouse.gov/news/releases/2003/06/20030625-12.html](http://www.whitehouse.gov/news/releases/2003/06/20030625-12.html), The Fight Against Terrorism, [us.eu.int/dyandoc/news\\_search](http://us.eu.int/dyandoc/news_search)

<sup>361</sup> President Discusses Economy and Terrorism After Cabinet Meeting, [www.whitehouse.gov/news/releases/2004/03/20040323-5.html](http://www.whitehouse.gov/news/releases/2004/03/20040323-5.html) 16 May 2004.

<sup>362</sup> Fact Sheet: New Apec Initiatives on Counterterrorism, [usembassy.state.gov/Islamabad/wwwwh03102202.html](http://usembassy.state.gov/Islamabad/wwwwh03102202.html)

<sup>363</sup> [app1.chinadaily.com.cn/star/2003/1023/cn9-1.html](http://app1.chinadaily.com.cn/star/2003/1023/cn9-1.html); Canada — APEC [www.dfait-maeci.gc.ca/canada-apec\\_declaration-en.asp](http://www.dfait-maeci.gc.ca/canada-apec_declaration-en.asp)

regulations to better protect stocks of blank passports and develop better information sharing technology domestically between agencies has also been pursued vigorously.<sup>364</sup> Furthermore, the US has continued to promote its Container Security Initiative that involves posting officers at foreign ports in an attempt to inspect and identify ‘high-risk’ shipments of goods before they are loaded and shipped to America.<sup>365</sup>

The US has also persisted in endorsing Project BioShield — a comprehensive policy to develop and make available modern and more effective countermeasures against biological agents — that was created a year ago. As a joint initiative between the Department of Homeland Security and the Department of Health and Human Services the Program is intended to act as part of the US’s larger Counter-Terrorist strategy and more specifically to ensure that adequate resources exist to develop ‘Next-Generation Countermeasures,’ including ensuring that over the next 10 years that almost \$6 billion will be available to purchase new countermeasures for smallpox, anthrax, and botulinum toxin.<sup>366</sup> Through these various and diverse actions, the US has clearly and consistently confirmed its support toward the struggle to combat terrorism.

## **9. \*European Union: +1**

The EU Interior Ministers met in late March to discuss economic measure, but these were overshadowed by terrorist concerns in the wake of the Madrid attacks.<sup>367</sup> These terrorist attacks are a clear indication that increased intelligence-coordinating measures must be pursued, particularly given the vulnerability of railways, of which Europe has an extensive network.<sup>368</sup>

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<sup>364</sup> Protecting America’s Seaports and Securing Cargo Shipments, February 5 2004, [www.whitehouse.gov/news/releases/2004/02/20040205-4.html](http://www.whitehouse.gov/news/releases/2004/02/20040205-4.html) 12 May 2004.

<sup>365</sup> President Bush Focuses on Seaport and Cargo Security in South Carolina, [www.whitehouse.gov/news/releases/2004/02/20040205-7.html](http://www.whitehouse.gov/news/releases/2004/02/20040205-7.html)

<sup>366</sup> Protecting Americans from the Threat of Bio-Terrorism A Key Initiative in the President’s 2003 State of the Union Message, [www.whitehouse.gov/infocus/healthcare/protecting.html](http://www.whitehouse.gov/infocus/healthcare/protecting.html)

<sup>367</sup> [www.cnn.com/2004/WORLD/europe/03/17/france.threats](http://www.cnn.com/2004/WORLD/europe/03/17/france.threats)

<sup>368</sup> [www.economist.com/displayStory.cfm?story\\_id=2521745](http://www.economist.com/displayStory.cfm?story_id=2521745)

# 2003 Evian Final Compliance Report

## Transport Security

### Commitment

2003-168: “Given the increasing number of MANPADS (Man-Portable Air Defense Systems) in world-wide circulation, we commit ourselves to reducing their proliferation and call upon all countries to strengthen control of their MANPADS stockpiles”.

### Background

The US-led ‘Global War on Terrorism’ is defined by the asymmetric threat that a small number of individuals armed with readily accessible weaponry can pose to even the most secure military and civilian targets. Few arms exemplify this trend more clearly than MANPADS — shoulder-fired missiles that allow a single individual to potentially bring down an entire aircraft. The critical security risk posed by MANPADS was made readily clear on November 28, 2002, when a fully-loaded Israeli-chartered aircraft departing from Mombassa, Kenya narrowly missed a MANPAD projectile fired from the ground.<sup>369</sup> In addition, Black Hawk and Chinook helicopters operating in the US-led Coalition occupation of Iraq since May 2003 have repeatedly become favoured targets of insurgents in MANPAD attacks.<sup>370</sup> To counter this prevailing threat to military and commercial air transport, the US has made the non-proliferation of MANPADS a

top priority of its anti-terror campaign, and a main item on President Bush’s agenda at the Evian G8 Summit. Recognizing the common risk posed by the continued proliferation of MANPADS from insecure national stockpiles (primarily in Russia and Afghanistan), G8 member-states eagerly endorsed Bush’s agenda.<sup>371</sup> The G8 released *Enhanced Transport Security And Control Of Man-Portable Air Defence Systems (Manpads): A G8 Action Plan* at the Evian Summit<sup>372</sup> as well as reiterating the importance of the issue in the *Chairman’s Summary*, from which the above commitment is extracted.<sup>373</sup>

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<sup>369</sup> Mark Phelps, Do SAMs Pose a Real Threat to Civil Aviation? Global Security (Alexandria, Virginia) January 2003. Date of Access: 29 December 2003 [[www.globalsecurity.org/news/2003/0301-sam-threat01.htm](http://www.globalsecurity.org/news/2003/0301-sam-threat01.htm)].

<sup>370</sup> Sandra I Erwin, “Man-Portable Missiles Imperil Both Military, Civilian Aircraft,” National Defense Magazine (Arlington, Virginia) August 2003. Date of Access: 3 January 2004 [[www.nationaldefensemagazine.org/article.cfm?Id=1166](http://www.nationaldefensemagazine.org/article.cfm?Id=1166)].

<sup>371</sup> Sandra I Erwin, “Man-Portable Missiles Imperil Both Military, Civilian Aircraft,” National Defense Magazine (Arlington, Virginia) August 2003. Date of Access: 3 January 2004 [[www.nationaldefensemagazine.org/article.cfm?Id=1166](http://www.nationaldefensemagazine.org/article.cfm?Id=1166)].

<sup>372</sup> Enhanced Transport Security and Control of Man-Portable Air Defence Systems (Manpads): A G8 Action Plan, 2003 Sommet d’Evian Official Website (Evian/Paris) 3 June 2003. Date of Access: 3 January 2003 [[www.g8.fr/evian/english](http://www.g8.fr/evian/english)].

<sup>373</sup> Chairman’s Summary, 2003 Sommet d’Evian Official Website (Evian/Paris) 3 June 2003. Date of Access: 3 January 2003 [[www.g8.fr/evian/english](http://www.g8.fr/evian/english)].

## Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France		0	
Germany			+1
Italy		0	
Japan		0	
Russia			+1
United Kingdom			+1
United States			+1
Overall			+0.63

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada showed a notably high level of compliance throughout the year with its commitment to reducing MANPAD proliferation and improving control on existing national stockpiles. Canada's compliance activities were centred about financing concrete measures to promote MANPAD non-proliferation in the Americas, the Pacific Rim and Europe and through supporting similar initiatives through multilateral forums such as the United Nations and the Wassenaar Arrangement.

On June 8, 2003, shortly after the Evian Summit, the Canadian Minister of Foreign Affairs Bill Graham announced that Canada would provide \$75 000 (CAD) to fund an initiative on establishing principles on the transfer of SALW (Small Arms and Light Weapons, which includes MANPADS) throughout the Organization of American States (OAS) region. The project, bringing together national governments and civil society members, is aimed at creating agreed upon norms and procedures for the transfer and sale of MANPADS to off-set the illicit trade in these weapons, particularly in South America. It serves as a clear demonstration the Canadian government's commitment to improving control of MANPADS stockpiles throughout the hemisphere.<sup>374</sup>

As one of 21 member-states of Asia-Pacific Economic Cooperation (APEC), Canada was party to the *2003 Leaders' Declaration* issued at its annual summit on October 21, 2003 in Bangkok, Thailand.<sup>375</sup> This document outlined the organization's commitments to MANPADS non-proliferation that went even further than those agreed to by the G8 at the Evian Summit. Specifically, APEC nations pledged to: "adopt strict domestic export controls on MANPADS; secure stockpiles; take domestic action to regulate production, transfer, and brokering; ban transfers to non-state end-users; and exchange information in support of these efforts." Furthermore, Canada, along with the other APEC members, promised to review its progress in

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<sup>374</sup> News Release: Graham Announces Human Security Projects in the Americas. Department of Foreign Affairs and International Trade (Ottawa) 9 June 2003. Date of Access: 15 May 2004 [webapps.dfait-maeci.gc.ca/minpub/Publication.asp?publication\_id=380158]

<sup>375</sup> 2003 Leaders' Declaration. Asia-Pacific Economic Cooperation (Bangkok) 21 October 2003. Date of Access: 29 December 2003 [www.apecsec.org.sg/apec/leaders\_\_declarations/2003.html].

achieving these goals at the next Summit in 2004, thereby suggesting a timetable against which progress should be made.<sup>376</sup>

Canada is also one of the 33 member-states of the Wassenaar Arrangement (WA) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies. At its annual Plenary Meeting on December 12, 2003, the WA Group passed a resolution endorsing “multilateral efforts to develop strict controls”<sup>377</sup> on the transfer of MANPADS and included specific guidelines to evaluate members’ compliance.<sup>378</sup> In particular, the WA Group adopted non-proliferation measures that “included tightening controls over MANPADS, agreeing to enhance the transparency of small arms and light weapons transfers, establishing elements for national legislation on arms brokering, and adopting end-use oriented controls encouraging member governments to impose export controls on certain unlisted items when necessary to support United Nations arms embargoes.”<sup>379</sup>

Canada, as a member of the Organization for Security and Co-operation in Europe (OSCE), participated in the first *OSCE Forum for Security Co-operation* in July 2003. In a statement issued on July 23, 2003, member-states recognized the danger of even small numbers of MANPADS posed to military and civilian air transport and promised to “promote the application of effective and comprehensive export controls” and to urge states to propose projects to improve such areas as “stockpile security...reduction and disposal” and prevention of illicit trafficking.<sup>380</sup> Furthermore, Evelyn Puxley, the Canadian ambassador to the OSCE’s First Annual Security Review Conference in late June 2003, reaffirmed Canada’s commitment to ensure that “terrorists are denied to SALW [small arms and light weapons], including man-portable defence systems (MANPADS)” and looked forward to “further discussion within the FSC [Forum for Security Cooperation] on achieving this goal.”<sup>381</sup>

Finally, and most significantly, Canada provided the financing for an international conference on MANPADS held jointly by the Organization for Security and Cooperation in Europe (OSCE) and International Civil Aviation Organization (ICAO) in Vienna on January 23, 2004. The conference, attended by civil aviation and counter-terrorism experts from 40 of the OSCE

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<sup>376</sup> 2003 Leaders’ Declaration. Asia-Pacific Economic Cooperation (Bangkok) 21 October 2003. Date of Access: 29 December 2003 [[www.apecsec.org.sg/apec/leaders\\_\\_declarations/2003.html](http://www.apecsec.org.sg/apec/leaders__declarations/2003.html)].

<sup>377</sup> Ministerial Statement, Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January, 2004 [[www.wassenaar.org/2003Plenary/Ministerial%20Statement.doc](http://www.wassenaar.org/2003Plenary/Ministerial%20Statement.doc)].

<sup>378</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [[www.wassenaar.org/2003Plenary/MANPADS\\_2003.htm](http://www.wassenaar.org/2003Plenary/MANPADS_2003.htm)].

<sup>379</sup> Wassenaar Group to Tighten Export Controls on MANPADS. The United States Embassy to Japan (Tokyo) 12 December 2003. Date of Access: 20 December 2003 [[japan.usembassy.gov/e/p/tp-20031217-06.html](http://japan.usembassy.gov/e/p/tp-20031217-06.html)].

<sup>380</sup> Decision No. 7/03 Man-Portable Air Defence Systems. Organization for Security and Cooperation in Europe (Vienna) 23 July 2003. Date of Access: 5 January 2004 [[www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf](http://www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf)].

<sup>381</sup> Statement by Ambassador Evelyn Puxley at the Plenary Session of the First Annual Security Review Conference, June 25, 2003, Organization for Security and Cooperation in Europe (Vienna) 27 June 2003. Date of Access: 10 January 2004 [[www.osce.org/documents/sg/2003/06/402\\_en.pdf](http://www.osce.org/documents/sg/2003/06/402_en.pdf)].

member-states, “focussed on how the international community and national governments could improve physical security at airports and counter the threat against civilian aircraft.”<sup>382</sup>

Another major site of compliance by Canada is through the United Nations and the speech delivered by the Canadian Delegation at the 58th session of the United Nations General Assembly First Committee on the UN Register on Conventional Weapons (UNCAR) on 20 October 2003. In the address, the Canadian Delegation stressed the danger of MANPADS to civil aviation and insisted that MANPADS be placed under the Category VII of the Register — Missiles and Missile Launchers — making it subject to annual UNCAR reporting.<sup>383</sup> Such a measure is designed to encourage improved accountability and control of stockpiles through increased transparency. Additionally, Agnes Pust, a Canadian expert, was a member of the UN Group of Governmental Experts that recommended that MANPADS be included in the UN Register of Conventional Arms.<sup>384</sup>

## 2. France: 0

As one of the major MANPADS producers,<sup>385</sup> France’s obligation for reducing proliferation and strengthening control of stockpiles is notable. Nevertheless, the country has registered only a reasonable level of compliance, almost exclusively through efforts on multilateral forums to promote non-proliferation in other countries rather than active state initiative to strengthen its own stockpiles. In addition, all of France’s compliance activities in the international arena have either been the result of extending pre-existing programs and commitments, or are in too premature a stage to judge whether they will come to fruition or not.

France has worked with regional partners in reducing proliferation and control of MANPAD stockpiles. In early 2004, France initiated jointly with Switzerland negotiations at the UN for drafting an international agreement on SALW (Small Arms and Light Weapons, which includes MANPADS) marking and traceability. While this process is not yet complete, it represents a concrete effort by France to reduce the proliferation of MANPADS to terrorist Organization and non-state end-users by establishing international instruments to monitor their sale and transfer.<sup>386</sup> Additionally, France continues to provide assistance to the Program for Cooperation and

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<sup>382</sup> OSCE hosts first-ever international workshop on threat of shoulder-fired missiles to civil aviation, Organization for Security and Cooperation in Europe (Vienna) 23 January 2004. Date of Access: May 14, 2004 [www.osce.org/news/show\_news.php?id=3823].

<sup>383</sup> Transparency in Armaments: United Nations Register on Conventional Arms (UNCAR), Department of Foreign Affairs and International Trade (Ottawa) 20 October 2003. Date of Access: 8 January 2004 [www.dfaitmaeci.gc.ca/arms/intervene5-en.asp].

<sup>384</sup> “Continuing Operations of the United Nations Register of Conventional Arms and its Further Development.” Secretary-General Report A/58/274 for the 58th Session of the General Assembly (New York) 13 August 2003. Date of Access: 13 December 2003 [www.smallarmsnet.org/issues/themes/unregister.pdf].

<sup>385</sup> Ian Davis and Roy Isbister (eds.), EU and US Cooperation on arms export controls in a post 9/11 world: A roundtable discussion organised by the British-American Security Information Council (BASIC) and Saferworld. BASIC/Saferworld (Washington D.C.) 23 January 2003. Date of Access: 20 December 2003 [www.basicint.org/pubs/Joint/EUUSemReport.pdf].

<sup>386</sup> Statement by the Foreign Ministry Spokesperson. Quai d’Orsay (Ministry of Foreign Affairs) (Pairs) 19 March 2004. Date of Access: 15 May 2004 [www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41101]. Document for Setting Up a Tracing Mechanism for Small Arms and Light Weapons (Franco-Swiss Initiative) Quai d’Orsay (Ministry of Foreign Affairs) (Pairs) 10 January 2001. Date of Access: 1 May 2004 [www.diplomatie.gouv.fr/actual/dossiers/defense/annexe2.pdf]

Assistance for Security and Development in Africa (PCASED), an initiative of the Economic Commission of West African States (ECOWAS) and the African Union (AU).<sup>387</sup> The goal of PCASED is to implement a moratorium on the manufacture, export and import of SALW, including MANPADS in the 16 West African states that comprise ECOWAS.<sup>388</sup>

France, as a member of the Organization for Security and Co-operation in Europe (OSCE), participated in its first forum for Security Co-operation in 2003. In a decision issued on 23 July 2003, member states recognized the danger of even small numbers of MANPADS being appropriated by rogue actors, and promised to “promote the application of effective and comprehensive export controls” and urge states to propose projects to improve such areas as “stockpile security...reduction and disposal” and prevention of illicit trafficking.<sup>389</sup>

Furthermore, as one of the 33 member-states of the Wassenaar Arrangement (WA) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, France participated in its Plenary Meeting on 12 December 2003. In a ministerial statement issued that day, the WA Group endorsed “multilateral efforts to develop strict controls”<sup>390</sup> on the transfer of MANPADS and included specific guidelines to evaluate members’ compliance.<sup>391</sup>

Furthermore, Maurice Blecher of the French Ministry of Defence, was a member of the UN Group of Governmental Experts which was mandated to review the UN Register of Conventional Arms (UNCAR). On 13 August 2003, the Group issued their report, *Continuing Operations of the United Nations Register of Conventional Arms and its Further Development*, in which it recommended that MANPADS be included under Category VII of the UNCAR.<sup>392</sup> The effects of this recommendation would be to compel all states to voluntarily disclose all bilateral sales and transfers of MANPADS in order to encourage improved control and accountability over existing stockpiles through greater transparency.

Finally, on March 19, 2004 a Foreign Ministry spokesperson reaffirmed France’s “active policy to implement the UN Action Program on the fight against the illicit trafficking of light weapons

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<sup>387</sup> Statement by the Foreign Ministry Spokesperson. Quai d’Orsay (Ministry of Foreign Affairs) (Paris) 19 March 2004. Date of Access: 15 May 2004 [[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41101](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41101)]

<sup>388</sup> Program for Coordination and Assistance for Security and Development in Africa (PCASED), Federation of American Scientists (Washington D.C.), 2004. Date of Access: 15 May 2004 [[www.fas.org/nuke/control/pcased/](http://www.fas.org/nuke/control/pcased/)].

<sup>389</sup> Decision No. 7/03 Man-Portable Air Defence Systems. Organization for Security and Cooperation in Europe (Vienna) 23 July 2003. Date of Access: 5 January 2004 [[www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf](http://www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf)].

<sup>390</sup> Ministerial Statement, Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January, 2004 [[www.wassenaar.org/2003Plenary/Ministerial%20Statement.doc](http://www.wassenaar.org/2003Plenary/Ministerial%20Statement.doc)]

<sup>391</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [[www.wassenaar.org/2003Plenary/MANPADS\\_2003.htm](http://www.wassenaar.org/2003Plenary/MANPADS_2003.htm)].

<sup>392</sup> “Continuing Operations of the United Nations Register of Conventional Arms and its Further Development.” Secretary-General Report A/58/274 for the 58th Session of the General Assembly (New York) 13 August 2003. Date of Access: 13 December 2003 [[www.smallarmsnet.org/issues/themes/unregister.pdf](http://www.smallarmsnet.org/issues/themes/unregister.pdf)].



(SALW)”<sup>8</sup>, an allusion to the 2001 UN Program of Action on Small Arms and Light Weapons which includes measure to combat MANPAD proliferation.<sup>393</sup>

### 3. Germany: +1

Germany has registered full compliance with regard to its commitment to MANPAD non-proliferation. This has been achieved mainly through multilateral cooperation with institutions such as the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods (WA) and the Organization for Security and Co-operation in Europe (OSCE). The implementation of these agreements in the domestic legislation and within the EU (including the new members from Eastern Europe) is demonstrative of Germany’s concerted effort to reducing MANPAD proliferation.<sup>394</sup> Nevertheless, it should be noted that the majority of Germany’s compliance with the MANPAD initiative had taken place between June-December 2003, with little compliance activity occurring since these dates.

The WA was “established by thirty-three states in order to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies.”<sup>395</sup> In December 2003, Germany and its fellow Wassenaar signatories ratified a key document, *Elements for Export Control of Man-Portable Air Defense Systems*, which outlined specific initiatives to be adopted for dealing with, *inter alia*, stockpile management and countering the proliferation of MANPADS around the world.<sup>396</sup> These initiatives “included tightening [export] controls over MANPADS, agreeing to enhance the transparency of small arms and light weapons transfers, establishing elements for national legislation on arms brokering, and adopting end-use oriented controls encouraging member governments to impose export controls on certain unlisted items when necessary to support United Nations arms embargoes.”<sup>397</sup> Unlike many other countries, Germany has actively incorporated its WA/G8 commitments into domestic legislation. With regards to the ‘transparency’ component, the federal government has expanded its export control lists to include MANPADS, meaning that the sale and transfer of these items will be closely monitored by Berlin and certain end-users will be barred from exporting them.<sup>398</sup> Furthermore,

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<sup>393</sup> Statement by the Foreign Ministry Spokesperson. Quai d’Orsay (Ministry of Foreign Affairs) (Paris) 19 March 2004. Date of Access: 15 May 2004 [[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41101](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41101)].

<sup>394</sup> Bericht der Bundesregierung über ihre Exportpolitik für konventionelle Rüstungsgüter im Jahre 2002, German Federal Government (Berlin) 17 December 2003. Date of Access: May 10 2004 [[www.bundesregierung.de/Anlage597538/Ruestungsexportsbericht-2002.pdf](http://www.bundesregierung.de/Anlage597538/Ruestungsexportsbericht-2002.pdf)] p.10. National Export Controls in the areas of War Weapons, other Armaments and Dual-Use Goods that can be used for Conventional Weapons Purposes, Federal Foreign Office (Berlin) January 2004. Date of Access: May 10 2004 [[www.auswaertigesamt.de/www/en/aussenpolitik/aussenwirtschaft/nationale\\_exportkontrolle\\_html#3](http://www.auswaertigesamt.de/www/en/aussenpolitik/aussenwirtschaft/nationale_exportkontrolle_html#3)].

<sup>395</sup> Welcome to the Wassenaar Arrangement, The Wassenaar Arrangement (Vienna) 3 February 2004. Date of Access: 8 May 2004 [[www.wassenaar.org/welcomepage.html](http://www.wassenaar.org/welcomepage.html)].

<sup>396</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [[www.wassenaar.org/2003Plenary/MANPADS\\_2003.htm](http://www.wassenaar.org/2003Plenary/MANPADS_2003.htm)].

<sup>397</sup> Wassenaar Group to Tighten Export Controls on MANPADS. The United States Embassy to Japan (Tokyo) 12 December 2003. Date of Access: 20 December 2003 [[japan.usembassy.gov/e/p/tp-20031217-06.html](http://japan.usembassy.gov/e/p/tp-20031217-06.html)].

<sup>398</sup> VuB SV 02 08 - Schutz der öffentlichen Ordnung: Kriegswaffen: Anlage zum Gesetz über die Kontrolle von Kriegswaffen: Kriegswaffenliste Teil B. Zoll: Federal Customs Administration (A Division of the Federal Ministry of Finance) (Berlin) 2004. Date of Access: 1 May 2004 [[www.zoll-d.de/e0\\_downloads/a1\\_vorschriften/a0\\_gesamtliste\\_gesetze/kriegswaffenliste\\_teil\\_b.pdf](http://www.zoll-d.de/e0_downloads/a1_vorschriften/a0_gesamtliste_gesetze/kriegswaffenliste_teil_b.pdf)] p.1.

with the expansion of the EU eastward, Germany has expressed a strong desire to implement WA regulations (i.e. export policy) in the new member states in order to facilitate the harmonization of a pan EU foreign and security policy.<sup>399</sup>

As a member of the Organization for Security and Co-operation in Europe (OSCE), Germany was an active participant at the first *OSCE Forum for Security Co-operation (FSC)* in July 2003. Included in a statement issued on July 23, 2003, OSCE members recognized the threat even a small handful of MANPADS could potentially pose to military and civilian air transport, in particular in association with terrorist organizations. As such, the OSCE FSC committed to “promote the application of effective and comprehensive export controls” and to urge states to propose projects to improve such areas as “stockpile security...reduction and disposal” and prevention of illicit trafficking.<sup>400</sup>

In addition, through the OSCE FSC, in concert with the Conflict Prevention Centre, Germany, along with eleven other nations, has worked hard to develop the *Handbook of Best Practices on Small Arms and Light Weapons*.<sup>401</sup> The book is essentially a manual for governments, parliamentarians, non-governmental organizations (NGOs) and international organizations, outlining strict legislation and counter-proliferation programs regarding MANPADS and other small arms. Topics covered in the book include: national procedures for stockpile management and security, export control, tracing systems and licensing guidelines. In addition, Germany was also an active participant at the OSCE’s Ministerial Council Meeting in Maastricht on December 1, 2003, where MANPADS was a key item on the agenda. In an address to the member-states of the OSCE at the ministerial, German Foreign Affairs Minister Joschka Fischer warmly endorsed the organization’s efforts to curb MANPAD proliferation and suggested that “the non-proliferation of MANPADS and the securing of conventional munitions stockpiles” could be a future niche for the OSCE in countering asymmetric terrorist threats.<sup>402</sup>

#### **4. Italy: 0**

Italy has registered a disappointing level of compliance with regards to its commitments to MANPAD non-proliferation with most of its efforts taking the form of rhetoric at multilateral forums, and even in this arena, it is other member-states frequently taking the initiative with Italy merely seconding or reaffirming their stance. Furthermore, there is little evidence of how Italy intends to translate commitments made at these forums into domestic legislation or other action.

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<sup>399</sup> Bericht der Bundesregierung über ihre Exportpolitik für konventionelle Rüstungsgüter im Jahre 2002, German Federal Government (Berlin) 17 December 2003. Date of Access: May 10 2004 [www.bundesregierung.de/Anlage597538/Ruestungsexportsbericht-2002.pdf] p.9-10.

<sup>400</sup> Decision No. 7/03 Man-Portable Air Defence Systems. Organization for Security and Cooperation in Europe (Vienna) 23 July 2003. Date of Access: 5 January 2004 [www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf].

<sup>401</sup> 11th Ministerial Council 2003 – Handbook of Best Practices. Organization for Security and Co-operation in Europe (Vienna) 1-2 December 2003. Date of Access: 9 December 2003 [www.osce.org/events/mc/netherlands2003/handbook].

<sup>402</sup> Statement by Mr Joschka Fischer, Federal Minister for Foreign Affairs, at the OSCE Ministerial Council, Maastricht, 1 December 2003, Federal Foreign Office (Berlin) 1 December 2003. Date of Access: 2 January 2004 [www.auswaertiges-amt.de/www/en/ausgabe\_archiv?archiv\_id=5151].

Italy participated in 2003 Plenary Meeting of the Wassenaar Arrangements on Export Controls for Conventional Arms and Dual-Use Goods and Technologies in Vienna, 10–12 December 2003. The 2003 Plenary approved a number of major initiatives, which broke important new ground for the Wassenaar Arrangement (WA) and make significant contributions to the fight against terrorism by means of WA export controls.<sup>403</sup> At the heart of these efforts were several new initiatives to intended to counter the proliferation of MANPADS, which “included tightening controls over MANPADS, agreeing to enhance the transparency of small arms and light weapons transfers, establishing elements for national legislation on arms brokering, and adopting end-use oriented controls encouraging member governments to impose export controls on certain unlisted items when necessary to support United Nations arms embargoes.”<sup>404</sup> Furthermore, Italian Ambassador Claudio Moreno was thanked for his leadership during the WA’s annual assessment in the plenary meeting’s public statement.<sup>405</sup> Nonetheless, there exists as equal dearth of information as to how Rome intends to translate such WA commitments into domestic legislation or concrete action, as there is to support its compliance activity vis-à-vis its G8 MANPAD commitments.

Italy, as a member of the Organization for Security and Co-operation in Europe (OSCE), participated in its first Forum for Security Co-operation (FSC) in 2003. In a decision issued on July 23, 2003, member states recognized the danger of even small numbers of MANPADS being appropriated by rogue actors, and promised to “promote the application of effective and comprehensive export controls” and to urge states to propose projects to improve such areas as “stockpile security...reduction and disposal” and prevention of illicit trafficking.<sup>406</sup> Italy also seconded a UK-sponsored resolution relating tom MANPADS at the 413<sup>th</sup> plenary meeting of the FSC on February 11, 2004. The resolution called on the Forum, and, thus, the OSCE, to endorse the Wassenaar Arrangement’s decision on the *Elements for Export Controls of MANPADS*.<sup>407</sup>

## 5. Japan: 0

Japan’s fulfillment of its MANPAD commitment from the 2003 G8 Evian Summit has come primarily in the form of policy rhetoric from multilateral forums with few concrete actions taken on the part of Tokyo to reduce MANPAD proliferation. Japan has affirmed time and again the necessity to curtail the number and accessibility of MANPADS vis-à-vis non-state and rogue actors in UN, ASEAN, and APEC summits, and with the Wassenaar Arrangement (WA). Nevertheless, its status as one of the world’s largest MANPAD producers helps to explain why

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<sup>403</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [[www.wassenaar.org/2003Plenary/MANPADS\\_2003.htm](http://www.wassenaar.org/2003Plenary/MANPADS_2003.htm)].

<sup>404</sup> Wassenaar Group to Tighten Export Controls on MANPADS. The United States Embassy to Japan (Tokyo) 12 December 2003. Date of Access: 20 December 2003 [[japan.usembassy.gov/e/p/tp-20031217-06.html](http://japan.usembassy.gov/e/p/tp-20031217-06.html)].

<sup>405</sup> Public Statement – 2003 Plenary Meeting, Wassenaar Arrangement (Vienna) 10-12 December 2003. Date of Access: 23 December 2003 [[www.wassenaar.org/2003Plenary/public\\_statement2003.htm](http://www.wassenaar.org/2003Plenary/public_statement2003.htm)].

<sup>406</sup> Decision No. 7/03 Man-Portable Air Defence Systems. Organization for Security and Cooperation in Europe (Vienna) 23 July 2003. Date of Access: 5 January 2004 [[www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf](http://www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf)].

<sup>407</sup> 413th Plenary Meeting of the Forum: Agenda. Organization for Security and Cooperation in Europe (OSCE) 11 February 2004. Date of Access: 13 May 2004 [[www.osce.org/documents/fsc/2004/02/2078\\_en.pdf](http://www.osce.org/documents/fsc/2004/02/2078_en.pdf)]

Tokyo has adopted few actions itself to implement these promises<sup>408</sup>; MANPADS non-proliferation has largely been marginalized from the country's foreign and defense policy priorities.

On August 13, 2003, the Group of Governmental Experts on the United Nations Register of Conventional Arms delivered its report to the UN Secretary-General, penned in part by Mitsuro Donowaki, Special Assistant to Japan's Minister of Foreign Affairs.<sup>409</sup> The report recommended that the Category VII of the Register, a voluntary-based reporting regime of all major bilateral transfers of conventional arms each year, be expanded to include MANPADS — requiring members to voluntarily disclose all export sales and shipments of these weapons to other states.<sup>410</sup> On 20 October 2003, Mr. Donowaki addressed the 58th General Assembly on the matter of the Group's report, stating that "Japan has been one of the strongest supporters of the Register from the time of its establishment" and that Tokyo welcomed its expansion to include MANPADS. He also stated that "by including MANPADS, the misuse of which by terrorists has become a matter of global concern after the 9.11 incident, the Register will be made more relevant to all regions."<sup>411</sup>

Japan also made a major rhetorical commitment to regional MANPAD non-proliferation at the Asia-Pacific Economic Cooperation (APEC) Summit in Bangkok, Thailand on October 21, 2003.<sup>412</sup> At the multilateral meeting, Japan and APEC's other 20 member-states agreed to "implement strict domestic export controls on MANPADS; secure existing stockpiles; regulate MANPADS production, transfer, and brokering; ban transfers to non-state end-users; and exchange information in support of these efforts." The issue of MANPADS was also secured on the agenda of the 2004 APEC Summit in Chile.<sup>413</sup> Japan made a similar policy commitment at the Association of South-East Asian Nations (ASEAN) Regional Forum on June 18, 2003, in Phnom Penh. In the Chairman's Summary member-states noted "the threat posed to commercial and general aviation by man-portable air defense systems (MANPADS) in terrorist hands and the importance of curbing the proliferation of these weapons." They also made note of the G8's

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<sup>408</sup> "Asian and Pacific Leaders Pledge to Control Shoulder-Fired Missiles," Arms Control Today: News Brief (Washington D.C.: Arms Control Association) November 2003. Date of Access: 10 May 2004 [[www.armscontrol.org/act/2003\\_11/newsbriefs.asp](http://www.armscontrol.org/act/2003_11/newsbriefs.asp)].

<sup>409</sup> "Continuing Operations of the United Nations Register of Conventional Arms and its Further Development." Secretary-General Report A/58/274 for the 58th Session of the General Assembly (New York) 13 August 2003. Date of Access: 13 December 2003 [[www.smallarmsnet.org/issues/themes/unregister.pdf](http://www.smallarmsnet.org/issues/themes/unregister.pdf)].

<sup>410</sup> "Continuing Operations of the United Nations Register of Conventional Arms and its Further Development." Secretary-General Report A/58/274 for the 58th Session of the General Assembly (New York) 13 August 2003. Date of Access: 13 December 2003 [[www.smallarmsnet.org/issues/themes/unregister.pdf](http://www.smallarmsnet.org/issues/themes/unregister.pdf)].

<sup>411</sup> Statement by H.E. Mr. Mitsuro Donowaki Alternative Representative of Japan on the Report of the 2003 Group of Governmental Experts on the United Nations Register of Conventional Arms to the 58th Session of General Assembly. The Ministry of Foreign Affairs of Japan (Tokyo) 20 October 2003. Date of Access: December 15, 2003 [[www.mofa.go.jp/announce/speech/un0310-14.html](http://www.mofa.go.jp/announce/speech/un0310-14.html)].

<sup>412</sup> Bangkok Declaration of Partnership for the Future (Chairman's Summary). Asia-Pacific Economic Cooperation (APEC) Summit (Bangkok) 21 October 2003. Date of Access: 10 May 2004 [[www.fas.org/asmp/campaigns/MANPADS/APECBangkokDeclaration.pdf](http://www.fas.org/asmp/campaigns/MANPADS/APECBangkokDeclaration.pdf)].

<sup>413</sup> New APEC Initiatives on Counter Terrorism: APEC Commits to Enhancing Counter Terrorism Capacity. The United States Embassy to Japan (Tokyo) 21 October 2003. Date of Access: 19 December 2003 [[japan.usembassy.gov/e/p/tp-20031022a7.html](http://japan.usembassy.gov/e/p/tp-20031022a7.html)].

initiative regarding the same matter on which this compliance report is based.<sup>414</sup> In the case of both the APEC and ASEAN commitments, there exists little evidence concerning how Japan intends to translate these statements into concrete action.

The last major site of Japanese compliance with its MANPADS non-proliferation obligations is found in the work of the Wassenaar (WA) Group. The 33 nations party to the Wassenaar Arrangement (WA) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, which includes Japan, agreed at their December 12, 2003 plenary meeting to sharply tighten controls over the sale and proliferation of MANPADS.<sup>382</sup> The WA Group expressly called for actions that “included tightening controls over MANPADS, agreeing to enhance the transparency of small arms and light weapons transfers, establishing elements for national legislation on arms brokering, and adopting end-use oriented controls encouraging member governments to impose export controls on certain unlisted items when necessary to support United Nations arms embargoes.”<sup>415</sup> A similar proposal by the ‘1267 Committee,’ struck by the UN Security Council, was also endorsed by Japan Permanent Representative to the UN, Mr. Koichi Haraguchi, in the *Security Council Meeting on Threats to International Peace and Security Caused by Terrorist Acts*, held on January 12, 2004.<sup>416</sup> In both cases, there exists a dearth of evidence for how Japan intends to translate these international commitments into domestic action and legislation.

## **6. Russia: +1**

Russia has actively complied with its G8 commitment towards MANPAD non-proliferation. The majority of its compliance activities have been achieved through active multilateral cooperation with other states and institutions such as the UN and the Wassenaar Group, as well as promoting MANPAD non-proliferation within the CIS and former Soviet Union. This commitment is of particular concern for the Russia Federation as it is among the world’s largest producers of MANPADS while also suffering from chronic security breaches and thefts from its arms stockpiles.<sup>417</sup>

The Russian Federation was a strong advocate of MANPAD non-proliferation at the meeting of the CIS Council of Defense Ministers in June 2003 in Kazakhstan. Russia tabled a resolution at the twelve-nation summit to tighten controls over the transfer of Igla- and Strela-type MANPADS and for all CIS member-states to share information about all bilateral sales of MANPADS, including those sold after the collapse of the USSR. The measure was initially opposed by the Ukraine, Azerbaijan, Georgia, and Uzbekistan, who all attempted to block passage of the resolution at the June meeting. Nevertheless, subsequent diplomatic pressure

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<sup>414</sup> Chairman’s Summary: Tenth ASEAN Regional Forum: Phnom Penh. Ministry of Foreign Affairs (Tokyo) 18 June 2003. Date of Access: 10 May 2004 [[www.mofa.go.jp/region/asia-paci/asean/conference/arf/state0306.html](http://www.mofa.go.jp/region/asia-paci/asean/conference/arf/state0306.html)].

<sup>415</sup> Wassenaar Group to Tighten Export Controls on MANPADS. The United States Embassy to Japan (Tokyo) 12 December 2003. Date of Access: 20 December 2003 [[japan.usembassy.gov/e/p/tp-20031217-06.html](http://japan.usembassy.gov/e/p/tp-20031217-06.html)].

<sup>416</sup> Statement By H.E. Mr. Koichi Haraguchi Permanent Representative Of Japan At The Security Council Meeting On Threats To International Peace And Security Caused By Terrorist Acts, Ministry of Foreign Affairs (Tokyo) 12 January 2004. Date of Access: 10 May 2004 [[www.mofa.go.jp/announce/speech/un2004/un0401.html](http://www.mofa.go.jp/announce/speech/un2004/un0401.html)]

<sup>417</sup> Dr. Loren B. Thompson, MANPADS: Scale and Nature of the Threat. Lexington Institute and Georgetown University (Washington D.C.) 12 November 2003. Date of Access: 19 May 2004 [[www.lexingtoninstitute.org/defense/111203MANPADS.pdf](http://www.lexingtoninstitute.org/defense/111203MANPADS.pdf)].

leveraged by Russia caused the Ukraine to announce on 30 August 2003 that it was ready to discuss the initiative with Moscow.<sup>418</sup> The United States has been working closely with Russia to eliminate MANPAD stockpiles in the CIS and considers Moscow to be its principal agent and partner in this project in the region.<sup>419</sup>

Russia also made a major contribution to MANPAD non-proliferation at the APEC Summit in Bangkok, Thailand on October 21, 2003. At the multilateral meeting, leaders of 21 Asia-Pacific economies including Russia's President Vladimir Putin adopted a resolution to severely reduce the proliferation and accessibility of MANPADS to non-state and rogue actors.<sup>420</sup> Leaders agreed to implement strict domestic export controls on MANPADS, secure existing stockpiles, regulate MANPADS production, transfer, and brokering; ban transfers to non-state end-users; and exchange information in support of these efforts. Participants also agreed "to counter the emerging threat of MANPADS to civil aviation."<sup>421</sup>

As a member of the Organization for Security and Co-operation in Europe (OSCE), the Russian Federation was an active participant at the first *OSCE Forum for Security Co-operation (FSC)* in July 2003. Included in a statement issued on July 23, 2003, OSCE members recognized the threat even a small handful of MANPADS could potentially pose to military and civilian air transport, in particular in association with terrorist organizations. As such, the OSCE FSC committed to "promote the application of effective and comprehensive export controls" and to urge states to propose projects to improve such areas as "stockpile security...reduction and disposal" and prevention of illicit trafficking.<sup>422</sup>

In addition, through the OSCE FSC, in concert with the Conflict Prevention Centre, the Russian Federation, along with eleven other nations, has worked hard to develop the *Handbook of Best Practices on Small Arms and Light Weapons*.<sup>423</sup> The book is essentially a manual for governments, parliamentarians, non-governmental organizations (NGOs) and international organizations, outlining strict legislation and counter-proliferation programs regarding MANPADS and other small arms. Topics covered in the book include: national procedures for stockpile management and security, export control, tracing systems and licensing guidelines.

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<sup>418</sup> "Ukraine Ready to Consider Russia's Proposal on Tightening MANPAD Sales," Pravda (Moscow) 30 July 2003. Date of Access: 03 January 2004 [www2.pravda.com.ua/en/archive/2003/july/30/news/2.shtml].

<sup>419</sup> FY 2003 Performance and Accountability Highlights: Strategic Goal #1: Regional Stability: Man-Portable Air Defense Systems (MANPADS). US Department of State: Bureau of Resource Management (Washington D.C.) December 2003. Date of Access: 17 May 2004 [www.state.gov/m/rm/rls/perfrpt/2003hlts/html/28736.htm].

<sup>420</sup> Wassenaar Group to Tighten Export Controls on MANPADS. The United States Embassy to Japan (Tokyo) 12 December 2003. Date of Access: 20 December 2003 [japan.usembassy.gov/e/p/tp-20031217-06.html].

<sup>421</sup> P. Parameswaran, "APEC leaders to impose controls on shoulder-launched missiles," Agence France-Presse (AFP) (Paris) 17 October 2003. Date of Access: 03 January 2004 [quickstart.clari.net/qs\_se/webnews/wed/ca/Qapac-missiles.RPzR\_DOH.html].

<sup>422</sup> Decision No. 7/03 Man-Portable Air Defence Systems. Organization for Security and Cooperation in Europe (Vienna) 23 July 2003. Date of Access: 5 January 2004 [www.osce.org/docs/english/fsc/2003/decisions/fed0307.pdf].

<sup>423</sup> 11th Ministerial Council 2003 – Handbook of Best Practices. Organization for Security and Co-operation in Europe (Vienna) 1-2 December 2003. Date of Access: 9 December 2003 [www.osce.org/events/mc/netherlands2003/handbook].

The issue of MANPAD non-proliferation was also a key agenda item at the Organization for Security and Cooperation in Europe (OSCE)'s Ministerial Council Meeting in Maastricht on December 1, 2003. In his statements at the meeting, Russian Minister of Foreign Affairs Igor Ivanov praised the high-profile the organization has afforded the issue of MANPADS. Ivanov also stated that "the Organization [OSCE], unquestionably, has considerable potential in the military-political field. The adoption of the decisions on MANPADS and the liquidation of excess stocks of ammunition may serve as evidence of this. We welcome these steps as a weighty contribution to strengthening the regulatory base [for MANPADS] of the OSCE."<sup>424</sup>

Russia is also a signatory to the Wassenaar Arrangement (WA) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, an agreement amongst 33 states to disclose all bilateral sales and transfers of conventional weapons. At a ministerial meeting of the Wassenaar Group held on December 12, 2003 (presided over by the Russian Federation),<sup>425</sup> member-states agreed to develop strict controls on the transfer of Man-Portable Air Defense Systems (MANPADS) that continue to pose one of the most serious threats to the safety of international civil aviation. Specifically, the initiatives to which they committed themselves "included tightening controls over MANPADS, agreeing to enhance the transparency of small arms and light weapons transfers, establishing elements for national legislation on arms brokering, and adopting end-use oriented controls encouraging member governments to impose export controls on certain unlisted items when necessary to support United Nations arms embargoes."<sup>426</sup> The Russian Federation has already begun to implement these commitments, with diplomats at the Russian Ministry of Foreign Affairs reporting that "Russia started registering serial numbers of all available MANPADS last year; MANPADS production, storage and exports are also being watched more closely than before."<sup>427</sup>

## **7. United Kingdom: +1**

The United Kingdom has fully complied with its commitment to reducing the proliferation of MANPADS. This is evidenced through its substantive efforts to change domestic legislation, the UK's involvement in the Wassenaar Arrangement (WA) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies and the Organization for Security and Cooperation in Europe (OSCE).

According to Foreign Minister Denis MacShane, the government of the UK has been assessing export license applications, including those pertaining to MANPADS, on a case-by-case basis

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<sup>424</sup> Statement by Russian Minister of Foreign Affairs Igor Ivanov at the 11th OSCE Ministerial Council Meeting, Maastricht, December 1, 2003, Ministry of Foreign Affairs (Moscow) 1 December 2003. Date of Access: 2 January 2003 [www.in.mid.ru/Bl.nsf/arh/5FA4FABA39344F9643256DF0003508A3?OpenDocument].

<sup>425</sup> "G8 countries need Russia's anti-terrorist experience," Pravda (Moscow) 20 February 2004. Date of Access: 19 May 2004 [newsfromrussia.com/world/2004/02/20/52415.html].

<sup>426</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [www.wassenaar.org/2003Plenary/MANPADS\_2003.htm].

<sup>427</sup> "G8 countries need Russia's anti-terrorist experience," Pravda (Moscow) 20 February 2004. Date of Access: 19 May 2004 [newsfromrussia.com/world/2004/02/20/52415.html].

against Consolidated EU and National Arms Export Licensing Criteria.<sup>428</sup> Through this measure, the UK has prevented the export of MANPADS to ‘undesirable’ end-clients. In addition to the UK’s commitment to “ensure strong national regulation of production, transfer and brokering,”<sup>429</sup> the government has also adopted secondary legislation under the Export Control Act 2002,<sup>430</sup> laid before Parliament on October 31, 2003. According to the Foreign and Commonwealth Office, “this legislation introduces controls on the brokering of all equipment on the UK’s military list, including MANPADS, where any part of the transaction is carried out in the United Kingdom.”<sup>431</sup> The secondary legislation essentially affords the government unhindered access to information pertaining to the numbers of MANPADS produced in the UK, who they are produced by, who they are produced for, and information pertaining to the time of delivery for the explicit purpose of restricting and controlling the spread of MANPADS. The UK government has also reserved the right to “decide over the next few months whether anything further needs to be done to control brokering of [MANPADS]” in order to fulfill its G8 commitments.<sup>432</sup>

This strict export licensing regime is further buttressed by the terms of the Wassenaar Arrangement (WA) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies. The WA was “established by thirty-three states in order to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies”.<sup>433</sup> The UK’s export criteria is thus informed by the “Elements for Export Controls of Man-Portable Air Defense Systems” agreed to by the WA on December 12, 2003. Under this new document, the participating states are obligated to: tighten controls over MANPADS, agree to enhance the transparency of small arms and light weapons transfers, establish elements for national legislation on arms brokering, and adopt end-use oriented controls encouraging member governments to impose export controls.<sup>434</sup>

The United Kingdom has also been pursuing efforts to combat MANPADS through its membership at the OSCE. In June 2003, members of the OSCE met in Vienna where MANPADS was one of the main foci of discussions.<sup>435</sup> It was agreed that the threat of MANPADS must be addressed by the OSCE. Since this meeting, the intentions of the UK and other members have been translated into concrete measures. Most notable is the *Handbook of*

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<sup>428</sup> Man-Portable Air Defense Systems: Strengthening Export Controls. Foreign and Commonwealth Office (London) 18 November 2003. Date of Access: 1 December 2003 [www.fco.gov.UK].

<sup>429</sup> Ibid.

<sup>430</sup> Export Control Act 2002. The United Kingdom Parliament (London) 2002. Date of Access: 10 May 2004 [www.legislation.hmso.gov.uk/acts/acts2002/20020028.htm]

<sup>431</sup> Man-Portable Air Defense Systems: Strengthening Export Controls. Foreign and Commonwealth Office (London) 18 November 2003. Date of Access: 1 December 2003 [www.fco.gov.uk].

<sup>432</sup> Man-Portable Air Defense Systems: Strengthening Export Controls. Foreign and Commonwealth Office (London) 18 November 2003. Date of Access: 1 December 2003 [www.fco.gov.uk].

<sup>433</sup> Welcome to the Wassenaar Arrangement. The Wassenaar Arrangement (Vienna) 4 February 2004. Date of Access: 1 May 2004 [www.wassenaar.org/welcomepage.html].

<sup>434</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [www.wassenaar.org/2003Plenary/MANPADS\_2003.htm].

<sup>435</sup> OSCE Security Conference Considers Fresh Options, Organization for Security and Co-operation in Europe (Vienna). 27 June 2003 Date of Access: 9 December 2003 [www.osce.org/news/generate.php3?news\_id=3382].



*Best Practices on Small Arms and Light Weapons* developed by the United Kingdom and eleven other nations, in concert with the OSCE and the Conflict Prevention Centre.<sup>436</sup> The book is a manual for governments, parliamentarians, nongovernmental organizations (NGOs) and international organizations, outlining strict legislation and counter-proliferation programs regarding MANPADS and other small arms. Topics covered in the book include: national procedures for stockpile management and security, export control, tracing systems and licensing guidelines.

## **8. United States: +1**

The United States, more than any other G8 member-state, has fully complied with its commitment to counter the proliferation of MANPADS. This has been achieved by playing a proactive role in the Wassenaar Arrangement (WA), encouraging APEC leaders to cooperate with the global effort against MANPADS, standing behind the expansion of the UN Register of Conventional Arms to include MANPADS, and drafting legislation in March of 2004 which encourages “the establishment of both long-term and short-term programs to address the threat of man-portable air defense systems to commercial aviation.”<sup>437</sup>

Since May 2003, the use of MANPADS against military transports and helicopters by insurgents opposed to the US-occupation of Iraq has served to further fuel the US effort against these weapons. Thus, in light of these attacks and in fear of their increasing frequency, the US is making a concerted effort to collect and destroy MANPADS in Iraq and is continuing ‘buy-back’ programs in Iraq as well as other states in Asia.<sup>438</sup> It should be noted however, the effectiveness of these buy-back programs have been questioned owing to the fact the US military only offers a reward of USD\$500 for every MANPAD submitted, versus the USD\$5,000 such a weapon averages on the black market.<sup>439</sup>

In addition, the US has also directed efforts towards MANPAD proliferation in Latin America. Secretary of State Colin Powell held talks with Nicaraguan President Enrique Bolanos in November 2003 where he addressed the need for Nicaragua and other Latin American countries to secure and lower their stocks of MANPADS. Powell suggested such actions would not only benefit the safety of Latin Americans, but would also contribute significantly to the wider global struggle against MANPADS. President Bolanos was highly receptive to Powell’s suggestions

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<sup>436</sup> 11th Ministerial Council 2003 – Handbook of Best Practices. Organization for Security and Co-operation in Europe (Vienna) 1-2 December 2003. Date of Access: 9 December 2003 [www.osce.org/events/mc/netherlands2003/handbook].

<sup>437</sup> Commercial Aviation MANPADS Defense Act of 2004 (HR 4056). Library of Congress (Washington, D.C.) 30 March 2004. Date of Access: 10 May 2004 [thomas.loc.gov/cgi-bin/query/z?c108:H.R.4056:].

<sup>438</sup> “Transcript: U.S. Seeks International Solution to Airline Security,” Washington File, US Department of State (Washington D.C.) 27 July 2003. Date of Access: 13 December 2003 [usembassy-australia.state.gov/hyper/2003/0827/epf310.htm].

<sup>439</sup> “American Morning: Missing Missiles,” Cable News Network (CNN) (Atlanta) 9 October 2003. Date of Access: 16 December 2003 [edition.cnn.com/TRANSCRIPTS/0310/09/ltn.01.html].

and vowed to not only address the issue within its borders, but also outside of its borders with other Latin American states.<sup>440</sup>

According to a recent report from the State Department, the United States is “also engaged on a bilateral basis with countries that have a combination of excess MANPADS stocks, poor controls, and a demonstrable risk of proliferation to terrorist groups or other undesirable end-users.”<sup>441</sup> With funding from the State Department’s Nonproliferation, Antiterrorism, Demining and Related Projects (NADR), the Small Arms and Light Weapons Destruction Program is facilitating initiatives to destroy obsolete military weapons. In particular, the program targets weapons that could pose a lethal threat to civil aviation when appropriated by terrorist organizations. The countries participating in the bilateral MANPADS reduction programs have yielded significant results: the destruction of nearly 6000 MANPADS in Bosnia-Herzegovina; Cambodia’s entire 233 MANPADS arsenal; 45 MANPADS in Liberia; and 7922 MANPADS in eight states in Africa, Eastern Europe, and Latin America since the beginning of 2003.<sup>442</sup> In addition, the House Resolution 2800 (S1426), *Foreign Operations Appropriations, FY 2004 Bill*, seeks to provide the NADR Small Arms and Light Weapons Destruction Program an operating budget of USD\$4,000,000 for the fiscal year ending on 30 September 2004.<sup>443</sup> At the time of the writing of this report, this bill was awaiting final vote in both houses of Congress before becoming law.<sup>444</sup>

With further reference to domestic legislation, in March 2004, the United States House of Representatives introduced the *Commercial Aviation MANPADS Defense Act of 2004*. Although the bill has yet to be promulgated, it has received unanimous support from the House and has already passed through the first leg of committee approval. The international elements of the bill aim to both limit the availability and transfer of MANPADS and promote the destruction of excess, obsolete and illicit MANPAD stockpiles, both in the US and abroad. Similar to the G8 commitment, the bill calls for the president and other relevant actors to achieve these twin goals through “strong international diplomatic and cooperative efforts, including bilateral and multilateral treaties.” The bill also calls for the US President to deliver a report to the relevant congressional committees on the progress of these mandated actions within 180 days of it becoming law, and for the Secretary of State to provide a similar briefing to such committees annually thereafter.<sup>445</sup>

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<sup>440</sup> Remarks with Nicaraguan President Enrique Bolanos Before Their Working Dinner. US Department of State (Washington D.C.) 3 November 2003. Date of Access: 18 December 2003 [www.state.gov/secretary/rm/2003/25916.htm].

<sup>441</sup> Transcript: Bolton Says Proliferation of WMD Becoming Riskier. US Department of State (Washington D.C.) 30 March 2004. Date of Access: 10 May 2004 [usembassy.state.gov/posts/in4/wwwhpr033104e.html]

<sup>442</sup> Ibid.

<sup>443</sup> Senate Rpt.108-106 - Foreign Operations, Export Financing, And Related Programs Appropriation Bill, 2004: Department of States: Nonproliferation, Antiterrorism, Demining, and Related Programs. Committee Reports for the 108th Congress (Washington D.C.) February 2004. Date of Access: 1 May 2004 [www.congress.gov/cgi-bin/cpquery/?&dbname=cp108&&r\_n=sr106.108&sel=TOC\_149478&].

<sup>444</sup> Status of FY2004 Appropriations Bills, Library of Congress (Washington D.C.) 5 February 2004. Date of Access: 2 May 2004 [thomas.loc.gov/home/approp/app04.html].

<sup>445</sup> Commercial Aviation MANPADS Defense Act of 2004 (HR 4056). Library of Congress (Washington, D.C.) 30 March 2004. Date of Access: 10 May 2004 [thomas.loc.gov/cgi-bin/query/z?c108:H.R.4056:].

The WA was “established by thirty-three states in order to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies.”<sup>446</sup> Along with the UK, the United States has recently pushed for the WA to include MANPADS as a class of arms whose sale or transfer by a member-state would require full voluntary disclosure and reporting. These efforts took on a more concrete form at the WA Plenary Meeting on December 12, 2003, where all states agreed to the *Elements for Export Controls of Man- Portable Air Defense Systems*.<sup>447</sup> Under this new agreement, the participating states are obligated to: “tighten controls over MANPADS, agree to enhance the transparency of small arms and light weapons transfers, establish elements for national legislation on arms brokering, and adopt end-use oriented controls encouraging member governments to impose export controls on certain unlisted items when necessary to support United Nations arms embargoes.”<sup>448</sup>

Lastly, at the APEC Summit in Thailand on October 21, 2003, the United States played an instrumental role in prompting APEC to adopt a similar commitment to the WA in countering the MANPAD threat. Before the meeting adjourned, President Bush pushed for the adoption of a resolution to significantly reduce the proliferation and accessibility of MANPADS to non-state and rogue actors.<sup>449</sup> APEC leaders agreed to “implement strict domestic export controls on MANPADS, secure existing stockpiles, regulate MANPADS production, transfer, and brokering; ban transfers to non-state end-users; and exchange information in support of these efforts.”<sup>450</sup>

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<sup>446</sup> Welcome to the Wassenaar Arrangement, The Wassenaar Arrangement (Vienna) 3 February 2004. Date of Access: 8 May 2004 [[www.wassenaar.org/welcomepage.html](http://www.wassenaar.org/welcomepage.html)].

<sup>447</sup> Elements for Export Controls of Man-Portable Air Defence Systems (MANPADS), Wassenaar Arrangement (Vienna) 12 December 2003. Date of Access: 6 January 2004. [[www.wassenaar.org/2003Plenary/MANPADS\\_2003.htm](http://www.wassenaar.org/2003Plenary/MANPADS_2003.htm)].

<sup>448</sup> Wassenaar Group to Tighten Export Controls on MANPADS. The United States Embassy to Japan (Tokyo) 12 December 2003. Date of Access: 20 December 2003 [[www.japan.usembassy.gov/e/p/tp-20031217-06.html](http://www.japan.usembassy.gov/e/p/tp-20031217-06.html)].

<sup>449</sup> New APEC Initiatives on Counter Terrorism: APEC Commits to Enhancing Counter Terrorism Capacity. The United States Embassy to Japan (Tokyo) 21 October 2003. Date of Access: 19 December 2003 [[japan.usembassy.gov/e/p/tp-20031022a7.html](http://japan.usembassy.gov/e/p/tp-20031022a7.html)].

<sup>450</sup> 2003 Leaders' Declaration. Asia-Pacific Economic Cooperation (Bangkok) 21 October 2003. Date of Access: 29 December 2003 [[www.apecsec.org.sg/apec/leaders\\_\\_declarations/2003.html](http://www.apecsec.org.sg/apec/leaders__declarations/2003.html)].

## 2003 Evian Final Compliance Report Weapons of Mass Destruction

### Commitment

2003-186: “We reaffirm our support for the IAEA (International Atomic Energy Agency), which should be granted the necessary means to implement its monitoring tasks.”

### Background

The focus on weapons of mass destruction (WMD) at the 2003 Evian Summit was driven by the threat of nuclear proliferation in the three countries labeled by US President Bush as the ‘Axis of Evil’ in his 2002 State of the Union address: Iraq, Iran and North Korea.<sup>451</sup> At the time of the summit, many G8 member-states still supported the idea that the US had invaded Iraq prematurely and had failed to afford the IAEA adequate time to conclude its search for Iraq’s alleged WMD program. Furthermore, the US was also facing criticism for denying the IAEA re-entry into Iraq to resume its search after the fall of the former regime in May 2003.<sup>452</sup> In light of these tensions, the strong commitment delivered at the Evian Summit for the work of the IAEA can be interpreted partly as a reconciliatory gesture by all member-states in an effort to mend trans-Atlantic ties frayed in the US-led war on Iraq. However, the majority of the G8’s robust commitment towards the IAEA can be attributed to the alarming risk of nuclear proliferation in both North Korea and Iran that emerged in the first-half of 2003. In October 2002, North Korea announced that it had resumed operation of an illicit nuclear weapons program mothballed in 1994. In January 2002, the country officially withdrew from the Nuclear Non-Proliferation Treaty (NPT).<sup>453</sup> Grave concerns over the recent unchecked proliferation of nuclear weapons to unstable states were only reinforced amongst accusations by the United States in the summer of 2003 that Iran was seeking to develop a WMD program.<sup>454</sup> In both these instances, the United States and the international community have opted to chart a course of diplomacy and inspections as opposed to the use of force to counter nuclear proliferation. As a result, the G8 has directed renewed attention and support towards IAEA and its operations which has been translated into several documents released at the Evian Summit pertaining to WMD. These documents include *Non-Proliferation of Weapons of Mass Destruction — A G8 Declaration*,<sup>455</sup> as well as a reference to the matter in the *Chairman’s Summary* from which the above commitment is extracted.<sup>456</sup>

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<sup>451</sup> “Timeline: Iran,” BBC World News: Internet Edition (London) 27 December 2003. Date of Access: 4 January 2003 [news.bbc.co.uk/2/hi/middle\_east/806268.stm].

<sup>452</sup> “Putting the World Back Together Again,” The Economist (London/Washington D.C.) 7 June 2003. Date of Access: 4 January 2003 [www.economist.com].

<sup>453</sup> “Timeline: North Korea,” BBC World News: Internet Edition (London) 28 December 2003. Date of Access: 4 January 2003 [news.bbc.co.uk/2/hi/asia-pacific/1132268.stm].

<sup>454</sup> “Timeline: Iran,” BBC World News: Internet Edition (London) 27 December 2003. Date of Access: 4 January 2003 [news.bbc.co.uk/2/hi/middle\_east/806268.stm].

<sup>455</sup> Non-Proliferation of Weapons of Mass Destruction – A G8 Declaration, 2003 Sommet d’Evian Official Website (Evian/Paris) 3 June 2003. Date of Access: 3 January 2003 [www.g8.fr/evian/English].

<sup>456</sup> Chairman’s Summary, 2003 Sommet d’Evian Official Website (Evian/Paris) 3 June 2003. Date of Access: 3 January 2003 [www.g8.fr/evian/English].

## Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union			+1
Overall (not including EU score)			+1.00

## Individual Country Compliance Breakdown

### 1. Canada: +1

Canada has maintained a high level of compliance throughout 2003 and the beginning of 2004 towards the weapons of mass destruction commitments proposed at the G8 Evian Summit. It has been able to do so through monitoring and dismantling projects in Russia, and an overall firm commitment to the G8 Global Partnership Against the Spread of Weapons of Mass Destruction and other treaties pertaining to the latter, which are all administered or monitored by the IAEA. Canada has maintained this level of support for the IAEA due to its large exporter status of uranium, coupled with its status as a middle power country without a nuclear arsenal.

In August 2003, Rob McDougall, Director of Non-Proliferation Arms Control and Disarmament Division, of the Department of Foreign Affairs, restated Canada's commitment of CDN\$1 billion over the next ten years towards disarmament and non-proliferation issues in Russia in an effort to aid the IAEA in the region, and added that the commitment, "confirms this area as one of Canada's highest NACD priorities..."<sup>457</sup> As of May 7, 2004, Canada has contributed CDN\$4 million to IAEA projects to strengthen nuclear and radiological security in the former Soviet Union, and CDN\$65 million to plutonium disposition.<sup>458</sup> In addition, on 19 November 2003, Canada and the United Kingdom signed a Memorandum of Understanding in Moscow, part of the project designed by the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, launched in June 2002 by G8 leaders in support of the IAEA's efforts, geared towards supporting Russia in destroying its nuclear and chemical weapons stockpiles. Canada is

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<sup>457</sup> Opening Remarks by Rob McDougall, Director Non-Proliferation Arms Control and Disarmament Division: Government Consultations with Civil Society on Issues Related to International Security, Nuclear Weapons and Other Weapons of Mass Destruction and their Delivery Systems, Department of Foreign Affairs and International Trade, (Ottawa), August 26, 2003. Date of Access: December 30, 2003 [[www.dfait-maeci.gc.ca/arms/mcdougall6-en.asp](http://www.dfait-maeci.gc.ca/arms/mcdougall6-en.asp)].

<sup>458</sup> Global Partnership Funding Commitments, Monterey Institute of International Studies: Center for Non-Proliferation Studies (California), May 7, 2004. Date of Access: May 15, 2004. [[cns.miis.edu/research/globpart/funding.htm](http://cns.miis.edu/research/globpart/funding.htm)]

to provide CDN \$33 million, which the UK will use to finance the project.<sup>459</sup> In 2004, Canada took a further step in aiding Russia and the IAEA by enhancing its devotion to the dismantlement of Russia's weapons of mass destruction stockpile through the Sustainable Development Strategy 2004-2006 implemented by the Department of Foreign Affairs and International Trade.

Through the Strategy, Canada will conclude a bilateral legal agreement with the Russian Federation in 2004 for the destruction of nuclear weapons that satisfies the Global Partnership's Guidelines for New or Expanded Cooperation Projects. In addition, it will contribute funds to such projects as the European Bank for Reconstruction and Development's program to safely and securely manage spent nuclear fuel from submarines in northern Russia (2003-2004), Russia's plutonium disposition program, and the International Atomic Energy Agency initiative to strengthen nuclear and radiological security throughout the former Soviet Union (2004). The aim of the strategy involves the total the dismantlement of decommissioned nuclear submarines and fissile materials, and the re-direction of scientists toward opportunities for sustainable employment in peaceful scientific pursuits.<sup>460</sup>

More universally, Canada has attempted to take a leadership role in the area of non-proliferation of weapons of mass destruction by providing active support towards such non-proliferation treaties as the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and the Nuclear Non-Proliferation Treaty (NPT), which are administered and monitored by the IAEA. For instance, on March 18, 2004 the Canada-EU Summit in Ottawa produced an effective promotion of the transatlantic partnership particularly through a firm implementation of the recent EU Security Strategy and their continued support of the G-8 Partnership Against the Spread of Weapons of Mass Destruction, as agreed to at the Kananaskis Summit in 2002. Through this strategy, Canada and the EU will cooperate on efforts to prevent the proliferation of weapons of mass destruction, particularly through strengthening the implementation of and compliance with disarmament and non-proliferation treaties and agreements set out by the IAEA and the international community, and the further development of verification instruments to aid the IAEA.<sup>461</sup>

On April 16, 2004, James Wright, Assistant Deputy Minister, Global and Security Policy remarked to the Proliferation Security Initiative Operational Experts Working Group Meeting in Ottawa that, "The IAEA is another indispensable mechanism in our collective non-proliferation toolbox. We continue to successfully promote effective IAEA action to address states' non-

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<sup>459</sup> UK and Canada Cooperate to Assist Russia in Destroying Chemical Weapons, Department of Foreign Affairs and International Trade, (Ottawa) November 19, 2003. Date of Access: January 2, 2004. [[www.dfaitmaeci.gc.ca/foreign\\_policy/global\\_partnership/uk\\_canada-en.asp](http://www.dfaitmaeci.gc.ca/foreign_policy/global_partnership/uk_canada-en.asp)].

<sup>460</sup> Sustainable Development Strategy 2004-2006, Goal 3: Promote international security and respect for human rights, good governance and the rule of law as prerequisites for sustainable development, Department of Foreign Affairs and International Trade (Ottawa), February 12, 2004. Date of Access: May 13, 2004 [[www.dfaitmaeci.gc.ca/sustain/sd-dd/adg-06-sec08-en.asp](http://www.dfaitmaeci.gc.ca/sustain/sd-dd/adg-06-sec08-en.asp)].

<sup>461</sup> Canada-EU Summit, Department of Foreign Affairs and International Trade (Ottawa) March 18, 2004. Date of Access: May 13, 2004 [[www.dfaitmaeci.gc.ca/canadaeuropa/eu/partnership\\_agenda-en.asp](http://www.dfaitmaeci.gc.ca/canadaeuropa/eu/partnership_agenda-en.asp)].

compliance with their safeguard obligations. In this regard, universalization of the Additional Protocol would be an important step in the right direction.”<sup>462</sup>

Finally, on April 22, 2004 Mr. Gilbert Laurin, Ambassador and Deputy Permanent Representative of Canada to the United Nations, at the United Nations Security Council opened debate on draft Resolution 1540 on the non-proliferation of weapons of mass destruction, stating that, “Canada strongly supports a resolution that will help us confront the proliferation challenge, that respects the rights and obligations of States under current international treaties and that encourages the international community to use its energy and creativity to improve and build on the complex structure of non-proliferation, arms controls and disarmament regimes and mechanisms that have been established over the past 50 years.”<sup>463</sup>

## **2. France: +1**

France has exhibited a high level of compliance with regards to the weapons of mass destruction commitments laid out at the 2003 Evian G8 Summit, principally through the IAEA’s efforts in Iran in 2003, and its own efforts to promote awareness of the commitments to the UN in 2004. France has repeatedly taken a strong stance in support of the IAEA’s efforts due to its status as a nuclear power, not only militarily but also through its civilian nuclear energy programs, and it being a permanent member of the UN Security Council.

Since February 2003, the IAEA has been occupied in verifying the Iranian nuclear program and its history. France has been a strong supporter of this task and has mobilized its efforts with those of its European partners to gain Iran’s ascension to the IAEA Additional Protocol to the Nuclear Non-Proliferation Treaty. In October 2003, M. Dominique de Villepin, Minister of Foreign Affairs visited the Iranian Foreign Minister, Mr. Kharrazi, in Tehran in order to guarantee that Iran’s obligations to the IAEA follow through, and was quoted as saying that, “it is an important visit because proliferation issues are at the heart of our [France’s] concerns...”<sup>464</sup>

In November 2003, France, along with Germany and Britain, also drafted a resolution, that was favoured strongly by the Board of Governors of the IAEA, where by Iran would commit itself to IAEA inspections and halt its uranium enrichment programs rather than be in violation of the Non- Proliferation Treaty (NPT) and succumb to UN sanctions.<sup>465</sup> However, Tehran’s decision to reactivate its uranium enrichment activities in January 2004 after signing the IAEA’s Additional Protocol for Nuclear Safeguards on 18 December 2003, forced M. de Villepin to visit

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<sup>462</sup> Remarks to the Proliferation Security Initiative Operational Experts Working Group Meeting by James Wright, Assistant Deputy Minister, Global and Security Policy, Department of Foreign Affairs and International Trade, (Ottawa) April 16, 2004. Date of Access: May 13, 2004. [[www.dfait-maeci.gc.ca/arms/psi3-en.asp](http://www.dfait-maeci.gc.ca/arms/psi3-en.asp)].

<sup>463</sup> Statement by Mr. Gilbert Laurin, Ambassador and Deputy Permanent Representative of Canada to the United Nations, to the United Nations Security Council open debate on the draft resolution on the non-proliferation of weapons of mass destruction, Department of Foreign Affairs and International Trade (Ottawa) April 22, 2004. Date of Access: May 13, 2004 [[www.dfait-maeci.gc.ca/arms/unsc-en.asp](http://www.dfait-maeci.gc.ca/arms/unsc-en.asp)].

<sup>464</sup> Visit to the Islamic Republic of Iran: Interview given by M. Dominique De Villepin, Minister of Foreign Affairs, to the Press, Ministry of Foreign Affairs (Paris) October 21, 2003. Date of Access: December 30, 2003 [[www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20031022.gb.html#Chapitre2](http://www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20031022.gb.html#Chapitre2)].

<sup>465</sup> Most IAEA board members favor EU trio-backed resolution, International Atomic Energy Agency, (Vienna) November 20, 2003. Date of Access: January 10, 2004 [[www.globalsecurity.org/wmd/library/news/iran/2003/iran-031120-irna02.htm](http://www.globalsecurity.org/wmd/library/news/iran/2003/iran-031120-irna02.htm)].

Iranian Secretary of the Supreme Council of National Security, Dr. Hassan Rohani to discuss the nuclear energy crisis once again. In his discussions with Dr. Rohani, Villepin strongly emphasized European desire for Iran to suspend its reactivation of uranium enrichment activities that occurred earlier in January, and to ratify the IAEA Additional Protocol it had signed in November 2003. Villepin went on to state that, “this meeting has confirmed our continued effort to reengage in strong bilateral agreements and place greater focus on today’s greater regional and international questions.”<sup>466</sup>

Finally, to further stress France’s support for non-proliferation and the IAEA’s activities, France has put forth numerous statements and actions in the UN General Assembly on various occasions. In September 2003, at the opening of the 58th Session of the General Assembly of the United Nations in New York, President Chirac emphasized the need for unity towards non-proliferation of weapons of mass destruction. He proposed a permanent team of inspectors under the control of the Security Council as a plan of action: “we must unite to assure the universality of agreements and the effectiveness of non-proliferation methods”.<sup>467</sup> On April 29, 2004, France went on to celebrate a victory in the UN Security Council in regards to non-proliferation, with the UN adoption of Resolution 1540 which it had co-authored. In the resolution, the Security Council again demonstrated its resolve to tackle the proliferation of WMDs and to provide for the establishment of a committee, which will be tasked, with following up the implementation of the resolution. This committee will bring together all the Council members and receive reports from states. A French Foreign Affairs spokesman went on to state that, “France considers it essential to ensure compliance with the non-proliferation regime as a key element in collective security... This is a step towards effective multilateralism and adds to other international initiatives, the G8 World Partnership on the same issue and the Proliferation Security Initiative (PSI).”<sup>468</sup>

### **3. Germany: +1**

Germany has registered an acceptable level of compliance with its Evian commitments regarding weapons of mass destruction in relation to the efforts exhibited by other G8 nations. The majority of Germany’s support for the IAEA has come in the form of diplomatic support for resolving the nuclear issue with Iran and endorsing Libya efforts to dismantle its WMD program. In its actions at the UN and other diplomatic arenas, Germany has also endeavored to preserve the jurisdiction of the IAEA in light of recent non-proliferation emerging outside the Agency’s framework. Lastly, as has been the case for several decades, Germany remains the IAEA’s third

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<sup>466</sup> Point de Presse du Ministre des Affaires Etrangeres, M. Dominique de Villepin, a la suite de son entretien avec le Secretaire du Conseil Supreme de Securite Nationale Iranien, M. Hassan Rohani, Ministry of Foreign Affairs (Paris) January 15, 2004. Date of Access: May 12, 2004 [[www.doc.diplomatie.gouv.fr](http://www.doc.diplomatie.gouv.fr)].

<sup>467</sup> Point de Presse du Ministre des Affaires Etrangeres, M. Dominique de Villepin, a la suite de son entretien avec le Secretaire du Conseil Supreme de Securite Nationale Iranien, M. Hassan Rohani, Ministry of Foreign Affairs (Paris) January 15, 2004. Date of Access: May 12, 2004 [[www.doc.diplomatie.gouv.fr/BASIS/epic/www/doc/DDW?W=CLE=926498819](http://www.doc.diplomatie.gouv.fr/BASIS/epic/www/doc/DDW?W=CLE=926498819)].

<sup>468</sup> Non-Proliferation/Adoption of Resolution 1540 by the Security Council, Ministry of Foreign Affairs (Paris) April 29, 2004. Date of Access: May 14, 2004. [[www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41895](http://www.diplomatie.gouv.fr/actu/article.gb.asp?ART=41895)].



largest financial contributor (after the United States and Japan, respectively), with Berlin accounting for 10% of the IAEA's operating budget.<sup>469</sup>

The majority of Germany's support for IAEA activities have been centered about returning Iran to the international nuclear inspection regime, administered by the IAEA, since the US announced suspicions over Tehran's alleged WMD program in 2003. On October 21, 2003, German Foreign Minister Joschka Fischer traveled with his counterparts from France and the United Kingdom to Tehran, where they discussed the nuclear crisis with top Iranian officials. Joschka and his colleagues conveyed to Iran on behalf of the European Union that it must adopt the IAEA's Additional Protocol to the Non-Proliferation Treaty and submit to IAEA inspections in order to maintain normal relations with the EU.<sup>470</sup> All parties agreed the talk were productive, resulting in "an agreed statement from the government in Iran and three foreign ministers who were present about the co-operation by Iran with the IAEA."<sup>471</sup>

On November 25, 2003, the IAEA Board of Governors released a Germany-France-UK backed resolution urging Iran to cooperate with IAEA inspectors and to sign on to the Additional Protocol. The German government was closely involved in blocking a competing US -backed resolution which would have automatically transferred the issue to the UN Security Council following non-compliance on the part of Iran — a move that would have greatly diminished the ability of the IAEA to regulate the crisis itself.<sup>472</sup> Germany and its EU partners also encouraged Iran's cooperation at the time by promising, along with the US, continued technological assistance and development pending Tehran adoption of IAEA inspections.<sup>473</sup> However, following serious omissions in the report delivered by Iran in early 2004 outlining its nuclear activities, Germany, France and the UK agreed to back a subsequent US-sponsored IAEA resolution mixing praise with sharp criticism of the country — this after the EU states agreed to block resolution as they did before in exchange for greater nuclear compliance.<sup>474</sup> After a brief pause in IAEA inspections, Germany and the UK once again reprimanded Iran over its operation of a uranium conversion plant near the city of Istafan. Although Tehran says the plant is not a breach of its commitment to end uranium enrichment, the two European states cautioned that the "plant's creation sent the wrong signal to the international community."<sup>475</sup>

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<sup>469</sup> International Nuclear Policy: IAEA (International Atomic Energy Agency), Auswärtigen Amt (Federal Foreign Office) (Berlin) June 2002. Date of Access: 10 May 2004 [[www.auswaertiges-amt.de/www/en/aussenpolitik/vn/nuklearpolitik/iaeo\\_html](http://www.auswaertiges-amt.de/www/en/aussenpolitik/vn/nuklearpolitik/iaeo_html)].

<sup>470</sup> Bundeskanzler dankt Joschka Fischer fuer erfolgreiche Vermittlung in Iran, Office of the Chancellor of the Federal Republic of Germany (Berlin) 22 October 2003. Date of Access 3 January 2004 [[www.bundeskanzler.de/-7698.545309/Bundeskanzler-dankt-Joschka-Fischer-fuer-erfolgr...htm](http://www.bundeskanzler.de/-7698.545309/Bundeskanzler-dankt-Joschka-Fischer-fuer-erfolgr...htm)].

<sup>471</sup> Iran visit represented the 'Best of European Cooperation' – Straw – Edited Transcript of An Interview Given by the Foreign Secretary, Jack Straw for BBC Radio 4, British Foreign and Commonwealth Office, (London) October 23, 2003. Date of Access: January 9, 2004. [[www.fc.gov.uk](http://www.fc.gov.uk)].

<sup>472</sup> "US Welcomes Iran Report," BBC World News UK Edition (London) 26 November 2003. Date of Access 3 January 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3241662](http://news.bbc.co.uk/1/hi/world/middle_east/3241662)].

<sup>473</sup> "Tehran Pledges to Work With the IAEA," BBC World News UK Edition (London) 29 November 2003. Date of Access 2 January 2003 [[news.bbc.co.uk/1/hi/world/middle\\_east/3248854.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3248854.stm)]

<sup>474</sup> "Iran slams US nuclear bullying". BBC World News UK Edition (London) 10 March 2004. DATE OF ACCESS 10 May 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3497518.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3497518.stm)].

<sup>475</sup> "Iran uranium plant sparks new row." BBC World News UK Edition (London) 1 April 2004. Date of Access: 1 May 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3589737.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3589737.stm)].

Germany has also been increasingly supportive of Libya's decision on December 19, 2003 to unilaterally dismantle its WMD program and submit to IAEA inspections. Berlin joined other IAEA Board of Governors members in praising Tripoli's actions in a March resolution and calling for further cooperation with the country on WMD disarmament.<sup>476</sup> In addition, during Colonel Mu'ammarr al-Qadhafi's visit to Brussels on April 27, 2004, German Foreign Minister Fischer stated that despite remaining "obstacles," Germany welcomed Libya's decision to submit to IAEA inspections.<sup>477</sup> Germany has further employed its position as UN Security Council President in April 2004 to reward Libya for its active compliance. On April 22, 2004, Germany released a Statement by the President of the Security Council praising the WMD dismantlement efforts, stating that UN "welcomes the roles played in that regard by IAEA and OPCW in facilitating the fulfillment of the Socialist People's Libyan Arab commitment, demonstrating the importance and usefulness of existing international treaty regimes."<sup>478</sup>

Germany has also employed its position as a temporary member of the UN Security Council during this compliance year and as Council president during April 2004, to ensure the mandate and jurisdiction of the IAEA is not trounced by other non-proliferation regimes. On April 22, 2004, Dr. Gunter Pleuger, Permanent Representative of Germany to the United Nations, delivered a speech to the Security Council concerning US-sponsored draft *Resolution 1540 on Non-Proliferation of Weapons of Mass Destruction* which would legalize the sale, transfer or use of a nuclear, chemical, or biological weapon by a non-state (read: terrorist) organization. Concerned that the resolution does not involve the direct cooperation of the IAEA, Pleuger stressed the need for the resolution to highlight that, nonetheless, "the multilateral treaty regime provides the normative basis for all non-proliferation efforts" –singling out the IAEA's NPT for particular mention. Germany also implicitly echoed the concerns of other states that the Special Committee of the Security Council set up to monitor compliance with the resolution may interfere or overlap with the mandate of the IAEA. To remedy this, Pleuger's comments stressed the need for the resolution to be implemented "without interfering with the mandates of relevant institutions and other bodies established under international treaties or arrangements." Lastly, Pleuger comments as the President of the Security Council concerning Resolution 1540 stated the "the Committee should work in cooperation with competent other bodies such as the IAEA...[as t]his would enhance its efficiency and credibility."<sup>479</sup> Germany, along with a

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<sup>476</sup> "Iran slams US nuclear bullying". BBC World News UK Edition (London) 10 March 2004. DATE OF ACCESS 10 May 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3497518.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3497518.stm)].

<sup>477</sup> "Gadhafi urges end to all WMDs." CNN World News (Atlanta) 27 April 2004. DATE OF ACCESS 9 May 2004 [[www.cnn.com/2004/WORLD/europe/04/27/gadhafi.brussels/index.html](http://www.cnn.com/2004/WORLD/europe/04/27/gadhafi.brussels/index.html)].

<sup>478</sup> Statement by the President of the Security Council: Decision of the Libyan Arab Jamahiriya to abandon its weapons of mass destruction programs. United Nations Security Council (New York) 22 April 2004. Date of Access: 4 May 2004 [[ods-dds-ny.un.org](http://ods-dds-ny.un.org)].

<sup>479</sup> Statement by Ambassador Dr. Gunter Pleuger, Permanent Representative of Germany to the United Nations "Non-Proliferation of Weapons of Mass Destruction" New York, Permanent Mission of Germany to the United Nations (New York/Berlin), 22 April 2004. Date of Access: 4 May 2004 [[www.germany-un.org/archive/speeches/2004/sp\\_04\\_22\\_04.html](http://www.germany-un.org/archive/speeches/2004/sp_04_22_04.html)].

unanimous Security Council, voted in favour of *Resolution 1540 on Non-Proliferation of Weapons of Mass Destruction* on April 28, 2004.<sup>480</sup>

#### 4. Italy: +1

Italy has registered an acceptable level of compliance with Evian's WMD commitments, focusing primarily upon the IAEA's efforts towards non-proliferation regarding North Korea, Iran and Libya. Italy has traditionally maintained a low-profile on nuclear proliferation issues owing to the fact it is without a military atomic program and abandoned its civilian atomic energy program in 1987.<sup>481</sup> Nevertheless, Rome did successfully employ its presidency of the European Union from July 1 to December 20, 2003 to forward this G8 priority on a continental and international scale, and to imbed it within EU policy, earning it a passing compliance grade.

One of the areas where Italy used its presidency in EU to make a stand was in the North Korean nuclear crisis. On December 10-12, 2003, Guido Martini, Director-General, Department of Asia and Oceania of Italian Ministry of Foreign Affairs, led a nine-member EU delegation to North Korea — one of the few Western diplomats to enter the country in several years. The EU envoy was principally meant as a confidence-building measure and comes shortly after the US, Japan and South Korea agreed with the North to a broadly-worded statement of principles of nuclear disarmament. Nevertheless, Martini made it clear to Pyongyang that EU currently holds all economic and diplomatic ties with North Korea to be conditional upon the country's compliance with international nuclear norms.<sup>482</sup> The EU announced, however, that humanitarian aid would continue, with Martini summing up all other discussions with the generic statement that “the trip was very good for all of us.”<sup>483</sup>

Another area in which Italy, in its capacity as EU President, reiterated its support for IAEA is with the agency's efforts to compel Iran comply with international nuclear treaty norms following US suspicions that Tehran was harboring a clandestine nuclear program in 2003.<sup>484</sup> On September 29, 2003, Italian Foreign Minister Franco Frattini chaired a meeting of the EU's fifteen foreign ministers at which Iran was a key issue of discussion. Frattini, on behalf on the EU, expressed concern over Iran's alleged nuclear weapons programs and stated that “closer economic relations [with the EU] will only be possible following progress” on the issue.<sup>485</sup> On October 21, 2003, Italian Foreign Minister Franco Frattini praised Tehran's promise to sign the Additional Protocol to IAEA Safeguard Agreements. According to Frattini, Iranian President

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<sup>480</sup> Explanation of Vote of Ambassador Dr. Gunter Pleuger, Permanent Representative of Germany to the United Nations, Permanent Mission of Germany to the United Nations (New York/Berlin) 28 April 2004. Date of Access: 10 May 2004 [[www.germany-un.org/archive/press/2004/pr\\_04\\_28\\_04.html](http://www.germany-un.org/archive/press/2004/pr_04_28_04.html)].

<sup>481</sup> Country Nuclear Power Profiles: Italy, International Atomic Energy Agency (IAEA) (Vienna) 2003. Date of Access: 2 May 2004 [[www-pub.iaea.org](http://www-pub.iaea.org)].

<sup>482</sup> “EU Delegation Ends North Korea Sessions,” International Herald-Tribune (New York/Washington D.C.) 12 December 2003. Date of Access: 4 April 2004 [[www.iht.com/articles/121281.html](http://www.iht.com/articles/121281.html)].

<sup>483</sup> “Six-nation nuclear talks on N. Korea planned”, USA Today (McLean, Virginia) 12 December 2003. Date of Access: 05 January 2004 [[nuclearno.com/text.asp?7377](http://nuclearno.com/text.asp?7377)].

<sup>484</sup> “Timeline: Iran,” BBC World News: Internet Edition (London) 27 December 2003. Date of Access: 4 January 2003 [[news.bbc.co.uk/2/hi/middle\\_east/806268.stm](http://news.bbc.co.uk/2/hi/middle_east/806268.stm)].

<sup>485</sup> EU: Foreign Ministers Discuss World Crises, Italian Presidency of the Council of the European Union (Brussels/Rome) 29 September 2003. Date of Access: 8 December 2003 [[www.ueitalia2003.it/EN/Notizie/affariGeneraliRelazioniEsterne/Notizia\\_09291935323.htm](http://www.ueitalia2003.it/EN/Notizie/affariGeneraliRelazioniEsterne/Notizia_09291935323.htm)].

Mohammed Khatami has listened to the strong message delivered by the EU's foreign minister's weeks earlier. The Foreign Minister also stated that Iran's policy reversal "will contribute to universal action against the proliferation of weapons of mass destruction and terrorism, helping achieve vital results."<sup>486</sup>

In November 2003, the Italian Presidency of the European Union took a clear position rejecting a proposal of an IAEA resolution that an eventual non-compliance from the part of Iran would be automatically referred to the Security Council, bypassing IAEA. Europe preferred to accept Iran's progress in joining the non-proliferation process while maintaining a strict inspection regime, rather than threats of sanctions.<sup>487</sup> As an alternative, on November 17, 2003, after a meeting between Frattini, EU Foreign Policy and Security Policy Chief Javier Solana and the Head of Iranian Security Council, Mr. Rohani, the EU decided to include non-proliferation clause in all agreements any country would like to sign with the European Union.<sup>488</sup>

Among G8 members, Italy has the closest ties with Libya, which it ruled from 1911-1941. Italy expressed deep satisfaction with Libya's decision to adopt the IAEA Additional Protocol on December 19, 2003. Prime Minister Silvio Berlusconi claimed that Italy was involved in the agreement and was praised by USA.<sup>489</sup> In October 2003 a significant shipment of centrifuges parts was seized in Italy.<sup>490</sup> Minister Frattini said that this development was "the crowning of Italy's constructive dialogue-based approach"<sup>491</sup> with both Libya and country's that are suspected of WMD proliferation. Berlusconi was the first Western government leader to visit Libya since Mu'ammarr al-Qadhafi announced the end development of weapons of mass destruction,<sup>492</sup> and together with the UK has lobbied for the lifting of UN and US sanctions against the country in reward for its compliance with the IAEA.<sup>493</sup>

## 5. Japan: +1

Japan has registered a high level of compliance with respects to Evian's weapons of mass destruction commitments, focusing primarily upon the IAEA's efforts towards nonproliferation regarding North Korea and Iran, and expanding membership in the IAEA's Additional Protocols

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<sup>486</sup> Nuclear Program: Frattini, Iran Meets EU Requests, Italian Presidency of the Council of the European Union (Brussels/Rome) 21 October 2003. Date of Access: 28 November 2004 [www.ueitalia2003.it/EN/Notizie/Notizia\_10211902421.htm].

<sup>487</sup> Q&A: Iran nuclear dispute, Cable News Network (CNN) (Atlanta) 26 November 2003. Date of Access: 10 January 2004. [edition.cnn.com/2003/WORLD/meast/11/26/iran.qa/index.html].

<sup>488</sup> "Powell, Frattini, Solana, Patten after EU Ministers Lunch", US Department of State, International Information Programs, 18 November 2003, DATE OF ACCESS: 10 January 2004 [usinfo.state.gov/topical/pol/usandun/03111801.htm].

<sup>489</sup> "World leaders send clear signals to Libya after arms decision", AFP (Paris), 20 December 2003, Date of Access: 10 January 2004. [uk.news.yahoo.com/031220/323/ehjxb.html].

<sup>490</sup> Peter Slevin, "Libya Made Plutonium, Nuclear Watchdog Says", Washington Post, 21 February 2004. Date of Access: 15 May 2004. [www.washingtonpost.com/wp-dyn/articles/A58972-2004Feb20.html].

<sup>491</sup> Information Paper, Italian Ministry of Foreign Affairs, 22 December 2003, Date of Access: 10 January 2004. [www.esteri.it/attualita/2003/eng/notes/n031222a.htm].

<sup>492</sup> "Berlusconi Becomes Gaddafi's Go Between," The Scotsman (Edinburgh) 10 February 2004. Date of Access: 15 May 2004 [news.scotsman.com/latest.cfm?id=2516252].

<sup>493</sup> "Britain's secret bid to end Gaddafi arms embargo" The Scotsman (Edinburgh), 11 March 2004. Date of Access: 15 May 2004 [thescotsman.scotsman.com/index.cfm?id=280732004].

to the Nuclear Non-Proliferation Treaty (NPT). Japan has always exhibited a heightened interest in the IAEA's activities due to its standing as the sole great power without nuclear arsenal, its extensive civilian atomic energy program, and it being the only country to have experienced a nuclear attack.

North Korea's expulsion of IAEA inspectors in late 2002 and its withdrawal from the IAEA's Nuclear Non-Proliferation Treaty (NPT) in January 2003 has been the primary focus of Japan's WMD compliance efforts. Japan is an active party to the six-nation multilateral talks to negotiate an end North Korea's nuclear weapons program, and attended the group's unsuccessful first meeting on August 27-29, 2003<sup>494</sup> and its second on February 28, 2004,<sup>495</sup> both in Beijing. At the August talks, Japan clearly stated that "the nuclear problem...must be solved before the normalization of the relations between Japan and North Korea," which included the latter returning to the NPT regime.<sup>496</sup> Following North Korea's threat to withdraw from the multilateral talks, the language at the February round meeting was more sedated and compromising; Tokyo endorsed the Chairman's Summary which stated "[t]he Parties expressed their commitment to a nuclear-weapon-free Korean Peninsula, and to resolving the nuclear issue peacefully through dialogue."<sup>497</sup> Japan has also raised the issue of North Korea's nuclear ambitions at several regional and international forums, each time gaining support for the demand that Pyongyang return to the NPT regime and re-admit IAEA inspectors to its nuclear facilities. Such statements were issued at the ASEAN (Association of South-East Asian Nations) Regional Forum on June 18, 2003, in Phnom Penh,<sup>498</sup> the ASEAN+3 Summit Meeting on October 7-8, 2003 in Bali, and the APEC Ministerial and Leaders' Meeting on October 17-21, 2003 in Bangkok.<sup>499</sup> In late May 2004, Japanese Prime Minister Junichiro Koizumi traveled to Pyongyang for talks with North Korea leader Kim Jong-Il. The two leaders discussed nuclear issues among other matters, with Koizumi stating that he "conveyed to Chairman Kim the essential need for a complete dismantlement of nuclear weapons and the need for international inspections." For his part, Chairman Kim restated his commitment to the denuclearization of the Korean Peninsula and the peaceful resolution of the nuclear crisis through the Six-Party Talks. Chairman Kim also reconfirmed that North Korea will maintain a moratorium on missile test launches.<sup>500</sup>

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<sup>494</sup> "N. Korea Nuke Talk Begin," CBS News.com (New York) 27 August 2003. Date of Access: 29 April 2004 [www.cbsnews.com/stories/2003/08/28/world/main570570.shtml].

<sup>495</sup> Chairman's Statement for the Second Round of Six-Party Talks, (Beijing), 28 February 2004. Date of Access: 15 May 2004. [www.mofa.go.jp/region/asia-paci/n\_korea/state0402.html].

<sup>496</sup> Six-Party Talks on North Korean Issues (Overview and Evaluation), The Ministry of Foreign Affairs of Japan (Tokyo) September 2003. Date of Access: 20 December 2003 [www.mofa.go.jp/region/asiapaci/n\_korea/6party0308.html].

<sup>497</sup> Chairman's Statement for the Second Round of Six-Party Talks, (Beijing), 28 February 2004. Date of Access: 15 May 2004. [www.mofa.go.jp/region/asia-paci/n\_korea/state0402.html].

<sup>498</sup> Chairman's Statement: Tenth ASEAN Regional Forum: Phnom Penh. Ministry of Foreign Affairs (Tokyo) 18 June 2003. Date of Access: 10 May 2004 [www.mofa.go.jp/region/asia-paci/asean/conference/arf/state0306.html].

<sup>499</sup> Japan-North Korea Relations, Ministry of Foreign Affairs (Tokyo) February 2004. Date of Access: 10 May 2004 [www.mofa.go.jp/region/asia-paci/n\_korea/relation.html].

<sup>500</sup> Press Conference by Prime Minister Junichiro Koizumi After the Japan-North Korea Meeting, Ministry of Foreign Affairs (Tokyo) 22 May 2004. Date of Access: 25 May 2004 [www.mofa.go.jp/region/asia-paci/n\_korea/pmv0405/press.html].

The other main arena of Japan WMD-compliance efforts involves the Islamic Republic of Iran and related suspicions that it has launched a covert nuclear weapons program. On August 26, 2003, Japan hosted the Japan-Iran Expert Meeting on the International Atomic Energy Agency (IAEA) Additional Protocol. At this bilateral meeting Japan “requested again that the Iranian side cooperate fully with the IAEA, and promptly and unconditionally sign, ratify and fully implement the Additional Protocol.”<sup>501</sup> In September 2003, Iranian Foreign Minister Sr. Seyyed Kamal Kharrazi attended a state visit to Tokyo, during which he presented a letter from Iranian President Khatami stating that Iran had “decided to expand its cooperation with the IAEA and begin talks on the IAEA Additional Protocol with the IAEA.”<sup>502</sup> On September 16, 2003, Japan co-sponsored a strongly-worded resolution passed by the IAEA Board of Governors condemning Iran for its covert nuclear weapons program. The resolution demanded that “Iran fully disclose uranium enrichment and other programs that can be directly linked to the development of nuclear weapons and sign an additional protocol to enable the IAEA to conduct inspections without prior notification.”<sup>503</sup> In addition, Japan endorsed the IAEA’s November 22, 2003, report outlining Iran nuclear questionable activities. Along with the United States, Canada, the Netherlands, and Australia, Japan also held out for stronger language in the IAEA Board of Governors’ statement demanding Iran cooperate more fully with the IAEA and sign the NPT Additional Protocol.<sup>504</sup>

The Government of Japan warmly welcomed Iran’s signing of the NPT Additional Protocol on December 18, 2003, and offered to share “with Iranian experts... Japan’s experience of the conclusion and implementation of the Additional Protocol.”<sup>505</sup> Special Envoy of the Prime Minister, Masahiko Koumura, visited Iran and held talks with President Mohammad Khatami, Secretary of the Supreme National Security Council Hassan Rouhani and Deputy Foreign Minister for Asian and Pacific Affairs Mohsen Aminzadeh, on 9-14 May 2004. During the course of discussions, Tehran expressed its desire to adhere to the action plan agreed to between itself and IAEA Director General Mohamed ElBaradei. Iran also stated it was near completion of its report to be made to the IAEA, and claimed that when delivered to the IAEA Board of Governors in June, it would clear Iran of all accusation of harboring a nuclear weapons program. Koumura welcomed the statement and promised a concrete response would be decided after the Board’s meeting in the next weeks.<sup>506</sup> Mr. Koumura was returning a visit paid to Tokyo

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<sup>501</sup> Japan-Iran Expert Meeting on the IAEA Additional Protocol, Ministry of Foreign Affairs of Japan (Tokyo) August 2003. Date of Access: 23 December 2003 [[www.mofa.go.jp/region/middle\\_e/iran/iaea0308.html](http://www.mofa.go.jp/region/middle_e/iran/iaea0308.html)].

<sup>502</sup> Visit to Japan by Dr. Seyyed Kamal Kharrazi, Minister of Foreign Affairs of the Islamic Republic of Iran (Overview and Evaluation), Ministry of Foreign Affairs of Japan (Tokyo) 16 September 2003. Date of Access: 23 December 2003 [www.mofa.go.jp/region/middle\\_e/iran/fmv0308.html](http://www.mofa.go.jp/region/middle_e/iran/fmv0308.html).

<sup>503</sup> Statement by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the International Atomic Energy Agency (IAEA) Board of Governors’ Adoption of the Resolution concerning the Nuclear Issues of Iran, Ministry of Foreign Affairs of Japan (Tokyo) 16 September 2003. Date of Access: 20 November 2003 [[www.mofa.go.jp/announce/announce/2003/9/0916-2.html](http://www.mofa.go.jp/announce/announce/2003/9/0916-2.html)].

<sup>504</sup> “US Wants Tough Resolution on Iran: Move Follows IAEA Report of Clandestine Nuclear Program,” CNN.com (Atlanta) 22 November 2003. Date of Access: 22 December 2003 [[www.cnn.com/2003/US/11/22/us.iran.nuclear.](http://www.cnn.com/2003/US/11/22/us.iran.nuclear.)].

<sup>505</sup> Statement by Minister for Foreign Affairs Yoriko Kawaguchi on Iran’s signing of the International Atomic Energy Agency (IAEA) Additional Protocol, Ministry of Foreign Affairs of Japan (Tokyo) 19 December 2003. Date of Access: 23 December 2003 [[www.mofa.go.jp/announce/press/2003/12/1219.html](http://www.mofa.go.jp/announce/press/2003/12/1219.html) #1].

<sup>506</sup> Visit by Special Envoy of the Prime Minister Masahiko Koumura to the Islamic Republic of Iran and the Kingdom of Saudi Arabia (May 9 to 14) (Summary) Ministry of Foreign Affairs of Japan (Tokyo) 14 May 2004. Date of Access: 15 May 2004 [[www.mofa.go.jp/region/middle\\_e/iran/sev0405.html](http://www.mofa.go.jp/region/middle_e/iran/sev0405.html)].

by Mr. Rouhani on March 15-17, 2004, where nuclear issues were also discussed with less tangible results.<sup>507</sup>

Lastly, Japan have provided funding assistance in support of the IAEA's "Safeguards and Nuclear Security Seminars" which feature a wide-range of policy topics related to nuclear non-proliferation and promote the concluding of Additional Protocol negotiations between the IAEA and member-state to the NPT. Japan provided funding for such seminars in Tashkent, Uzbekistan in June, 2003, in Ouagadougou, Burkino Faso in February, 2004, and in Windhoek, Namibia in March, 2004.<sup>508</sup>

## **6. Russia: +1**

Russia has obtained a high level of compliance with its Evian's commitments on weapons of mass destruction, focusing primarily upon the IAEA's efforts towards non-proliferation regarding North Korea and Iran. Russia has a unique position as a country with the second biggest nuclear arsenal in the world, an extensive civilian atomic energy program and the closest ties with Iran and North Korea of all other members of G8.

Russia showed strong support to IAEA during the meeting of First Committee of the United Nations General Assembly. On November 5, 2003, Russian Minister of Atomic Energy Alexander Rumiantsev said that Russia will fight to achieve universal acceptance of principles, adopted in Evian and Kananaskis by the leaders of G8, aiming at preventing access for terrorists and their supporters to weapons of mass destruction<sup>509</sup>. On December 2, 2003, Russian Deputy Minister of Foreign Affairs Yuri Fedotov met in Vienna with the Director General of IAEA, Mohamed ElBaradei. They confirmed that approaches of Russia and the Agency coincide with regards to the solution of the questions linked to the nuclear programs of Iran and North Korea (DPRK)<sup>510</sup>. Together with the USA, Russia initiated and introduced Resolution 1540 to the UN Security Council, adopted on April 28, 2004 that calls for additional steps to prohibit any non-state actor from manufacturing, acquiring, possessing, developing, transporting, transferring or using nuclear, chemical or biological weapons and their means of delivery, in particular for terrorist purposes<sup>511</sup>.

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<sup>507</sup> Visit to Japan of Secretary of the Supreme National Security Council Hassan Rouhani of the Islamic Republic of Iran (Summary), Ministry of Foreign Affairs of Japan (Tokyo) 18 March 2004. Date of Access: 29 April 2004 [[www.mofa.go.jp/region/middle\\_e/iran/snscv0403.html](http://www.mofa.go.jp/region/middle_e/iran/snscv0403.html)].

<sup>508</sup> Japan's Efforts in the Universalization of the International Atomic Energy Agency (IAEA) Additional Protocol, Ministry of Foreign Affairs of Japan (Tokyo) May 2004. Date of Access: 10 May 2004 [[www.mofa.go.jp/policy/energy/iaea/protocol.html](http://www.mofa.go.jp/policy/energy/iaea/protocol.html)].

<sup>509</sup> Intervention by Alexander Rumiantsev, Minister of the Atomic Energy, Ministry of Atomic Energy of the Russian Federation Press Centre (Moscow), Nov 2003. Date of Access: 05 January 2004. [[www.minatom.ru/presscenter/document/news/PRINT\\_news412.htm](http://www.minatom.ru/presscenter/document/news/PRINT_news412.htm)].

<sup>510</sup> Transcript of Russian Deputy Minister of Foreign Affairs Yuri Fedotov's Interview with State Television Corporation of the State of Qatar, Ministry of Foreign Affairs of Russian Federation (Moscow), December 22, 2003. Date of Access: 05 January 2004. [[www.ln.mid.ru/Bl.nsf/arh/E1E7F121FF467202C3256E07005856CE?OpenDocument](http://www.ln.mid.ru/Bl.nsf/arh/E1E7F121FF467202C3256E07005856CE?OpenDocument)].

<sup>511</sup> Interview by First Deputy Minister of Foreign Affairs of Russian Federation V.I. Trubnikov to Interfax Agency on Fight Against Terrorism. Ministry of Foreign Affairs of the Russian Federation (Moscow), 23 April 2004. Date of Access: 15 May 2004.

With respects to the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction adopted at the 2002 Kananaskis Summit, Russia has commenced a series of projects aimed at securing its commitments to the agreement, which include a close partnership with the IAEA. Such projects include the removal of highly enriched nuclear fuel from research reactors in Bulgaria, Rumania, Serbia and Montenegro and stock-taking inspections in CIS countries<sup>512</sup>. Russia is successfully dismantling nuclear submarines and has already removed spent nuclear fuel and partially utilized around half of 193 decommissioned submarines, all with IAEA supervision and verification.<sup>513</sup>

Russia has traditionally maintained strong ties with Iran both diplomatically and trade-wise. Nevertheless, the sale of materials and equipment for a civilian nuclear power plant in Buser, Iran in 2003 was placed under considerable strain following Iran failure to submit to IAEA inspections pertaining to its alleged nuclear weapons program. Under constant pressure from Washington, Moscow made a strong effort to convince Iran to sign the Additional Protocol and open its facilities for IAEA inspections. After meeting with US President Bush in Camp-David in September 2003, Russian President Vladimir Putin gave a “clear but respectful signal to Iran about the necessity to continue and expand its cooperation with IAEA.”<sup>514</sup> On November 10, 2003, Hasan Rohani, Secretary of the Supreme National Security Council of Iran, met with Putin in Moscow and declared that Iran would comply with the requirements of the IAEA<sup>515</sup>. On March 10, 2004, Putin had a phone conversation with Iranian President Khatami about Iran’s cooperation with IAEA<sup>516</sup> and the same topic was discussed by Russian and Iranian Foreign Ministers in their meeting on April 6, 2004.<sup>517</sup> Iranian Foreign Minister will visit Moscow on May 16-17 and Russia will stress the importance of maintaining the voluntary commitment to freeze uranium enrichment works as well as of speeding up ratification of the Additional Protocol<sup>518</sup>.

The other area in which Russia demonstrated its readiness to assist in the IAEA’s goals, was with North Korea’s nuclear crisis. Russia took part in the first round of six-nation talks held in Beijing at the end of August, 2003 together with the representatives of the US, the DPRK, the Republic

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<sup>512</sup> Statement by A.I. Antonov, Head of Russian delegation at the 3<sup>rd</sup> session of the Preparatory Committee of the Conference on the Treaty on nuclear non-proliferation. Minister of Foreign Affairs of the Russian Federation (Moscow), 28 April 2004. Date of Access: 15 May 2004 [[www.ln.mid.ru](http://www.ln.mid.ru)].

<sup>513</sup> Decommissioning nuclear submarines: Press Conference in CNIATOMINFORM. Ministry of Atomic Energy of the Russian Federation (Moscow) 24 December 2003. Date of Access: 30 April 2004 [[old.minatom.ru/presscenter/document/news/PRINT\\_news473.htm](http://old.minatom.ru/presscenter/document/news/PRINT_news473.htm)].

<sup>514</sup> President Bush Meets with Russian President Putin at Camp David. Remarks by the President and Russian President Putin in Press Availability Camp David. Office of the White House Press Secretary (Washington D.C.) 27 September 2003. Date of Access: 15 May 2004. [[www.whitehouse.gov/news/releases/2003/09/20030927-2.html](http://www.whitehouse.gov/news/releases/2003/09/20030927-2.html)]

<sup>515</sup> “Iranian Atom and Kremlin Prestige” Krasnaya Zvezda (Moscow) 12 November 2003. Date of Access: 05 January 2004. [[www.redstar.ru/2003/11/12\\_11/3\\_02.html](http://www.redstar.ru/2003/11/12_11/3_02.html)].

<sup>516</sup> Daily News Bulletin, Press Service of President of Russian Federation (Moscow), 11 March 2004. Date of Access: 15 May 2004. [[www.ln.mid.ru](http://www.ln.mid.ru)]

<sup>517</sup> “Transcript of Russian Minister of Foreign Affairs Sergey Lavrov’s Speech and answers to questions on the results of the meeting of Foreign Ministers of Kaspian Sea states in Moscow,” Daily News Bulletin of the Ministry of Foreign Affairs of Russian Federation (Moscow), 6 April, 2004. Date of Access: 15 May 2004.

<sup>518</sup> Russia welcomes continuing cooperation of Tehran with IAEA concerning Iranian nuclear program, Ministry of Foreign Affairs of the Russian Federation (Moscow), 14 May, 2004. Date of Access: 15 May 2004. [[www.minatom.ru/News/Main/view?id=1741&idChannel=66](http://www.minatom.ru/News/Main/view?id=1741&idChannel=66)]



of Korea, Japan and China, designed to return Pyongyang to the IAEA inspections regime.<sup>519</sup> On November 13, 2003, Deputy Minister of Foreign Affairs of the Russian Federation, Alexander Losyukov, received the Ambassador of the Democratic People's Republic of Korea to Russia, Pak Ui Chun. In the course of the talk that took place, questions of preparation for a possible second round of six-way talks on the nuclear problem of the Korean Peninsula were touched upon. Both sides emphasized their readiness to conduct a constructive search for a just and mutually acceptable solution to this problem which would lead to the establishment of a nuclear-free zone on the Korean peninsula under IAEA monitoring— along with security guarantees for all the region's states, including the DPRK, and the establishment of favorable conditions for their economic and social development.<sup>520</sup> Another meeting between Losyukov and Pak Ui took place on December 2, 2003.<sup>521</sup> Although the second round of talks on February 28, 2004 did not bring concrete results, the Parties “expressed their commitment to a nuclear-weapon-free Korean Peninsula, and to resolving the nuclear issue peacefully through dialogue in a spirit of mutual respect and consultations on an equal basis, so as to maintain peace and stability on the Korean Peninsula and the region at large.”<sup>522</sup> Russia continues contacts with its North Korean partners and is the only country besides China that maintains top level bilateral contacts with North Korea.

Moscow also has received with satisfaction the statement by the Libyan leadership that Tripoli is giving up its plans to develop and produce weapons of mass destruction and is ready for the widest cooperation in this area with the international community. Russian Minister of Foreign Affairs reminded that: “The Russian side had invariably called for this in the framework of its contacts with the Libyan partners for the last few years. We welcome Libya's declared readiness to sign the Additional Protocol to the IAEA Safeguards Agreement Pursuant to the Nuclear Nonproliferation Treaty, accede to the Chemical Weapons Convention and adhere to the Missile Technology Control Regime”<sup>523</sup>. With help of USA and IAEA, highly enriched nuclear fuel from Libyan research reactor was transported to Russia.<sup>524</sup>

## 7. United Kingdom: +1

The United Kingdom has registered a high level of compliance with regards to its Evian WMD commitments. London's efforts have been focused upon collaborating with the IAEA on bringing both Libya and Iran into the international nuclear inspections regime. In addition, the

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<sup>519</sup> “N. Korea Nuke Talk Begin,” CBS News.com (New York) 27 August 2003. Date of Access: 29 April 2004 [www.cbsnews.com/stories/2003/08/28/world/main570570.shtml].

<sup>520</sup> Press Release, The Ministry of Foreign Affairs of the Russian Federation (Moscow), 13 November 2003. Date of Access: 05 January 2004. [www.in.mid.ru].

<sup>521</sup> Daily News Bulletin, The Ministry of Foreign Affairs of the Russian Federation (Moscow), 02 December 2003. Date of Access: 05 January 2004. [www.in.mid.ru]

<sup>522</sup> Chairman's Statement for the Second Round of Six-Party Talks, (Beijing), Ministry of Foreign Affairs of Japan (Tokyo) 28 February 2004. Date of Access: 15 May 2004. [www.mofa.go.jp/region/asia-paci/n\_korea/state0402.html].

<sup>523</sup> “Statement by Russian Minister of Foreign Affairs Igor Ivanov Regarding Libya's Decision to Give Up Its Weapons of Mass Destruction Programs,” Daily News Bulletin, The Ministry of Foreign Affairs of the Russian Federation (Moscow), 22 December 2003. Date of Access: 05 January 2004. [www.in.mid.ru/].

<sup>524</sup> Statement by A.I. Antonov, Head of Russian delegation at the 3<sup>rd</sup> session of the Preparatory Committee of the Conference on the Treaty on nuclear non-proliferation. Minister of Foreign Affairs of the Russian Federation (Moscow), 28 April 2004. Date of Access: 15 May 2004 [www.in.mid.ru/].

UK has also maintained its generous funding of the IAEA whose affairs impact the country directly, seeing as it maintains a civilian and military nuclear program.

The United Kingdom has always been significant contributor to the IAEA's operating budget. In 2003, the UK's assessed rate for required financial contribution to the Agency was £8 million, amounting to 5.5% of the IAEA's core budget and including tasks such as nuclear safety, nuclear security and verification activities. The UK is also involved with the IAEA's Technical Cooperation Fund to help share valuable safe-guard technologically with developing nations, voluntarily contributing £2.5 million per annum to the program. The United Kingdom also maintains a Member State Support Program (MSSP), amounting to an annual budget of about £1 million, to assist the IAEA in ensuring the continued and improved effectiveness of its safeguards system. In addition to these expenditures, extra-budgetary funding of about £90,000 per annum is provided to support IAEA travel and subsistence for projects associated with UKSP tasks. Recently, the UK has become concerned over IAEA Director-General Mohammed ElBaradei's remarks that without increased funding, the Agency would cease to be able to guarantee credible safeguards on nations' nuclear activities. In responding to this concern, the UK has lobbied strongly for an agreement amongst IAEA members for a significant budget increase for the Safeguards Department. In July 2003, London was successful in bringing about this reform which saw an agreement to increase safeguards budget allotment go to the September General Conference for final approval.<sup>525</sup>

The United Kingdom has also been intimately involved in bringing Libya back into the international nuclear inspections regime, administered by the IAEA, after it being branded as a pariah state for years. Libya approached the UK in March 2003 following the end of negotiations between the two countries over the Lockerbie bombing settlement, to see if a mutual arrangement could be reached to end Libya's clandestine WMD program.<sup>526</sup> Together with the US, UK experts and diplomats worked for nine months to quietly lay the groundwork for Colonel Mu'ammar al-Qadhafi's announcement on December 19, 2003 that Libya would abandon its WMD program and submit to IAEA inspections.<sup>527</sup> Libya's cooperation was warmly received by Downing Street, with Prime Minister Tony Blair stating that "we have offered our support to Libya in presenting its programs to these international bodies and are prepared to offer assistance with dismantlement."<sup>528</sup> Foreign Secretary Jack Straw went even further, announcing in January 2004 that Libya intended to rid itself of weapons of mass destruction as a direct result of efforts and negotiations with the United States and United Kingdom.<sup>529</sup> Blair traveled to Libya on March 25, 2003 to reward Qadhafi diplomatically for returning to the IAEA's non-

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<sup>525</sup> The United Kingdom and the United Nations. Foreign and Commonwealth Office (London) September 2003. Date of Access: 29 April 2004 [[www.fco.gov.uk/Files/kfile/Cm5898,0.pdf](http://www.fco.gov.uk/Files/kfile/Cm5898,0.pdf)] 38-39.

<sup>526</sup> FCO Department Report 2004: Chapter 2: UK and Global Security. Foreign and Commonwealth Office (London) 2004. Date of Access: 2 May 2004 [[www.fco.gov.uk/Files/KFile/DeptReport2004\\_Chapter2.pdf](http://www.fco.gov.uk/Files/KFile/DeptReport2004_Chapter2.pdf)] 48.

<sup>527</sup> "Libya Denounces WMD Program," CBS News (New York) 21 December 2003. Date of Access: 29 April 2004 [[www.cbsnews.com/stories/2003/12/21/world/main589698.shtml](http://www.cbsnews.com/stories/2003/12/21/world/main589698.shtml)].

<sup>528</sup> PM Welcomes Libyan WMD Announcement, Office of the Prime Minister (London) 19 December 2003. Date of Access 31 December 2003 [[www.number-10.gov.uk/output/page5075.asp](http://www.number-10.gov.uk/output/page5075.asp)].

<sup>529</sup> Straw makes statement of Libya weapons decision. Office of the Prime Minister (London). 5 January 2004. DATE OF ACCESS 5 May 2004 [[www.number-10.gov.uk/output/page5100.asp](http://www.number-10.gov.uk/output/page5100.asp)].

proliferation regime and to highlight the IAEA's recent statement at the time that Libya was indeed on the road to disarmament.<sup>530</sup>

The UK has also played a similarly influential role in prompting Iran to ascend to the IAEA's Additional Protocol to the Nuclear Non-Proliferation Treaty. In light of US accusations that Iran was harboring an illicit nuclear weapons program, UK PM Blair called upon "Iran to sign and implement an IAEA Additional Protocol without delay or conditions."<sup>531</sup> On October 21, 2003, UK Foreign and Commonwealth Secretary Jack Straw traveled with his counterparts from France and Germany to Iran for top-level discussions about the nuclear crisis. Straw and his colleagues conveyed to Tehran on behalf of the European Union that it must adopt the IAEA's Additional Protocol to the Non-Proliferation Treaty and submit to IAEA inspections in order to maintain normal relations with the EU.<sup>532</sup> All parties agreed the talks were productive, with Straw stating they resulted in "an agreed statement from the government in Iran and three foreign ministers who were present about the co-operation by Iran with the IAEA."<sup>533</sup> On November 25, 2003, the IAEA Board of Governors released a UK-Germany-France backed resolution urging Iran to cooperate with IAEA inspectors and to sign on to the Additional Protocol. London was closely involved in blocking a competing US-backed resolution which would have automatically transferred the issue to the UN Security Council following non-compliance on the part of Iran — a move that would have greatly diminished the ability of the IAEA to regulate the crisis itself.<sup>534</sup> The United Kingdom and its EU partners also encouraged Iran's cooperation at the time by promising, along with the US, continued technological assistance and development pending Tehran adoption of IAEA inspections.<sup>535</sup> However, following serious omissions in the report delivered by Iran in early 2004 outlining its nuclear activities, UK, France and Germany supported a subsequent US-sponsored IAEA resolution mixing praise with sharp criticism of the country — this after the EU states agreed to block resolution as they did before in exchange for greater nuclear compliance.<sup>536</sup> After a brief pause in IAEA inspections, the UK and Germany once again reprimanded Iran over its operation of a uranium conversion plant near the city of Istafan. Although Tehran says the plant is not a breach of its commitment to end uranium

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<sup>530</sup> "Blair's visit seen as a reward for disarming." Guardian Unlimited (London) 25 March 2004. Date of Access: 3 May 2004 [[www.guardian.co.uk/libya/story/0,14139,1177257,00.html](http://www.guardian.co.uk/libya/story/0,14139,1177257,00.html)].

Press Briefing: 3.45pm Wednesday 24 March 2004: Prime Minister's Visit to Libya, 10 Downing Street – Office of the Prime Minister (London) 24 March 2004. Date of Access: 2 May 2004 [[www.number-10.gov.uk/output/page5575.asp](http://www.number-10.gov.uk/output/page5575.asp)].

<sup>531</sup> PM briefs MPs on G8 Summit, 10 Downing Street – Office of the Prime Minister (London) June 2003. Date of Access: 15 November 2003 [[www.number-10.gov.uk/output/page3817.asp](http://www.number-10.gov.uk/output/page3817.asp)].

<sup>532</sup> Bundeskanzler dankt Joschka Fischer fuer erfolgreiche Vermittlung in Iran, Office of the Chancellor of the Federal Republic of Germany (Berlin) 22 October 2003. Date of Access 3 January 2004 [[www.bundeskanzler.de/-7698.545309/Bundeskanzler-dankt-Joschka-Fischer-fuer-erfolgr...htm](http://www.bundeskanzler.de/-7698.545309/Bundeskanzler-dankt-Joschka-Fischer-fuer-erfolgr...htm)].

<sup>533</sup> Iran visit represented the 'Best of European Cooperation' – Straw – Edited Transcript of An Interview Given by the Foreign Secretary, Jack Straw for BBC Radio 4, British Foreign and Commonwealth Office, (London) October 23, 2003. Date of Access: January 9, 2004. [[www.fco.gov.uk](http://www.fco.gov.uk)].

<sup>534</sup> "US Welcomes Iran Report," BBC World News UK Edition (London) 26 November 2003. Date of Access 3 January 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3241662](http://news.bbc.co.uk/1/hi/world/middle_east/3241662)].

<sup>535</sup> "Tehran Pledges to Work With the IAEA," BBC World News UK Edition (London) 29 November 2003. Date of Access 2 January 2003 [[news.bbc.co.uk/1/hi/world/middle\\_east/3248854.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3248854.stm)].

<sup>536</sup> "Iran slams US nuclear bullying." BBC World News UK Edition (London) 10 March 2004. DATE OF ACCESS 10 May 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3497518.stm](http://news.bbc.co.uk/1/hi/world/middle_east/3497518.stm)].

enrichment, the UK Foreign Office cautioned that the “plant’s creation sent the wrong signal to the international community.”<sup>537</sup>

Lastly, the United Kingdom has contributed generously to the *G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction*, in specific with regards to the funding of decommissioning projects in the Russian Federation under IAEA monitoring. On June 26, 2003, Foreign and Commonwealth Secretary Jack Straw announced the UK would contribute £10m to the Northern Dimension Environmental Program (administered by the European Bank for Reconstruction and Development) to fund several major projects to deal with spent nuclear fuel and other nuclear waste. The UK also announced another £20m in funding for Arctic Military Environmental Co-operation (AMEC) program to dismantle decommissioned nuclear submarines and safely store tones of spent nuclear fuel.<sup>538</sup>

## 8. United States: +1

The United States has registered a high-level of compliance with its WMD commitments from the Evian Summit, however, this assessment is not without noted caveats. The US has, on many fronts, exhibited ample evidence of its co-operation and support for the IAEA, primarily in terms of financial contributions, ratifying the Additional Protocol to the Nuclear Non-Proliferation Treaty and in prompting Libya, North Korea and Iran to return to the international nuclear inspections regime. However, the United States has on other occasions attempted to circumvent the IAEA’s activities both in Iraq and in creating a potential rival institution to the IAEA in the UN Security Council, threatening the Agency’s jurisdiction and mandate.

The United States remains today, as it has been since the Agency was founded, the IAEA largest single financial contributor. At the IAEA’s 47<sup>th</sup> General Conference in Vienna on 15 September 2003, US Energy Secretary Spencer Abraham outlined the US’ keen diplomatic, but also financial, support for the work of the IAEA. In accordance with the US’ top priority of deterring nuclear proliferation, Abraham detailed US President Bush’s recommendation to the IAEA Board of Governors to increase in the Agency’s budget in order to carry-out its mandate to monitor and enforce nuclear safety norms. In addition, the Bush Administration has requested an additional USD\$10m from the US Congress for the Department of Energy to support international nuclear safeguard measures, which primarily refer to those administered by the IAEA. Furthermore, another USD\$6m has been requested by the White House for the Department of Energy’s budget to fund the training and equipping of custom agents and border officials. Such an initiative is intended to contribute to the IAEA’s campaign to end the illicit trade and proliferation of nuclear materials that could be assembled into a WMD or other security threat.<sup>539</sup>

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<sup>537</sup> “Iran uranium plant sparks new row.” BBC World News UK Edition (London) 1 April 2004. Date of Access: 1 May 2004 [news.bbc.co.uk/1/hi/world/middle\_east/3589737.stm].

<sup>538</sup> £30m to tackle Russia’s nuclear legacy, 10 Downing Street – Office of the Prime Minister (London) 26 June 2003. Date of Access: 28 November 2003 [www.number-10.gov.uk/output/page4034.asp].

<sup>539</sup> Statement of U.S. Energy Secretary Spencer Abraham: “Nuclear Nonproliferation: New Challenges and New Solutions,” 47<sup>th</sup> General IAEA Conference (Vienna) September 15, 2003. Date of Access: 10 May 2004 [www.crcpd.org/International\_Issues-Topics/United\_States.pdf].

The US Congress has already responded to these promises by the Bush Administration regarding the IAEA and its activities, in a very positive manner. House Resolution 2800 (S1426), *Foreign Operations Appropriations (FY2004) Bill*, was introduced on 21 July 2003 and seeks to provide the International Atomic Energy Agency with USD\$53-million in funding for the fiscal year ending on September 30, 2004.<sup>540</sup> The US Senate Appropriations Committee stated in its report that the “Committee believes it is critical, especially in light of recent developments in Iran, that the IAEA receive adequate funding from the United States and other donors.”<sup>541</sup> In line with these statements, the Committee’s budget approval for the IAEA is USD\$3-million more than the White House requested. At the time of the writing of this report, HR2800 was awaiting final vote in both houses of Congress before becoming law.<sup>542</sup>

Next to its financial contributions, the most impressive piece of evidence of the United States’ compliance with its Evian WMD commitments is Washington’s ratification of the Additional Protocol to the Nuclear Non-Proliferation Treaty (NPT) between the United States and the International Atomic Energy Agency (IAEA).<sup>543</sup> Following a request by President Bush on February 11, 2004 to do so, the US Senate approved the Additional Protocol overwhelmingly on March 31, 2004, following a unanimous vote in favour by the US Senate Foreign Relations Committee earlier that month.<sup>544</sup> Despite the fact the US signed the Additional Protocol in 1998, the State Department described the belated ratification as evidence of Washington’s belief that it “is essential for states to adopt the Additional Protocol in order to give the IAEA strengthened verification tools to deal with clandestine nuclear weapons programs.”<sup>545</sup>

The United States has, of course, been intimately involved in bringing North Korea and Libya back into the international nuclear inspection regime administered by the IAEA. The United States took part in six-nation discussions with North Korea, Japan, South Korea, Russia and China on August 27, 2003<sup>546</sup> and February 28, 2004<sup>547</sup> in Beijing to discuss the nuclear stand-off on the Korean peninsula. Washington has continually publicly pressed North Korea, more than any other country, to return to the IAEA’s NPT regime and allow the return of the Agency’s inspectors to the country to monitor its military and civilian nuclear programs. The US, in equal

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<sup>540</sup> Senate Rpt.108-106 - Foreign Operations, Export Financing, And Related Programs Appropriation Bill, 2004: Department of States: Nonproliferation, Antiterrorism, Demining, and Related Programs. Committee Reports for the 108<sup>th</sup> Congress (Washington D.C.) February 2004. Date of Access: 1 May 2004 [[www.congress.gov](http://www.congress.gov)].

<sup>541</sup> Senate Rpt.108-106 - Foreign Operations, Export Financing, And Related Programs Appropriation Bill, 2004: Department of States: Nonproliferation, Antiterrorism, Demining, and Related Programs. Committee Reports for the 108<sup>th</sup> Congress (Washington D.C.) February 2004. Date of Access: 1 May 2004 [[www.congress.gov](http://www.congress.gov)].

<sup>542</sup> Status of FY2004 Appropriations Bills, Library of Congress (Washington D.C.) 5 February 2004. Date of Access: 2 May 2004 [[thomas.loc.gov/home/approp/app04.html](http://thomas.loc.gov/home/approp/app04.html)].

<sup>543</sup> Ratification of the U.S. Protocol Between the United States and the IAEA, US Department of State (Washington D.C.) 1 April 2004. Date of Access: 13 May 2004 [[www.state.gov/r/pa/prs/ps/2004/31042.htm](http://www.state.gov/r/pa/prs/ps/2004/31042.htm)].

<sup>544</sup> Foreign Relations Committee Approves U.S.-IAEA Additional Protocol, US Department of State (Washington D.C.) 4 March 2004. Date of Access: 10 May 2004 [[usembassy.state.gov/mumbai/wwwhwashnews1440.html](http://usembassy.state.gov/mumbai/wwwhwashnews1440.html)].

<sup>545</sup> Ratification of the U.S. Protocol Between the United States and the IAEA, US Department of State (Washington D.C.) 1 April 2004. Date of Access: 13 May 2004 [[www.state.gov/r/pa/prs/ps/2004/31042.htm](http://www.state.gov/r/pa/prs/ps/2004/31042.htm)].

<sup>546</sup> “N. Korea Nuke Talk Begin,” CBS News.com (New York) 27 August 2003. Date of Access: 29 April 2004 [[www.cbsnews.com/stories/2003/08/28/world/main570570.shtml](http://www.cbsnews.com/stories/2003/08/28/world/main570570.shtml)].

<sup>547</sup> Chairman's Statement for the Second Round of Six-Party Talks, (Beijing), Ministry of Foreign Affairs of Japan (Tokyo) 28 February 2004. Date of Access: 15 May 2004. [[www.mofa.go.jp/region/asia-paci/n\\_korea/state0402.html](http://www.mofa.go.jp/region/asia-paci/n_korea/state0402.html)].

concert with the UK, is also credited with sudden announcement by Colonel Mu'ammarr al-Qadhafi on December 19, 2003 that Libya would be abandoning its clandestine WMD program and would submit to international weapons inspectors under the auspices of the IAEA.<sup>548</sup> The US described the about-face in Qadhafi's policies as being a product of the new US Security Strategy that was applied with disappointing results in the US invasion of Iraq.<sup>549</sup> Lastly, the US has exerted aggressive diplomatic pressure on Iran to ratify the IAEA's Additional Protocol to the NPT and to submit fully and openly to weapons inspections. Initially Washington had been uncertain about the role the IAEA was to play in the crisis. In November 2003, the US tried unsuccessfully to force a resolution through the IAEA Board of Governors that would have automatically transferred jurisdiction over the nuclear matter to the UN Security Council — where the US holds a veto — in the event of Iranian non-compliance.<sup>550</sup> Recently, however, the US has warmed to the IAEA role, openly praising a Board of Governors resolution in March 2004 that censured Iran for failing to disclose all of its nuclear activity to the UN.<sup>551</sup> On March 17, 2004, President Bush and National Security Advisor Condoleezza Rice met with IAEA Director-General Mohammed ElBaradei, where he pushed the US to engage in direct bilateral discussion with Iran over the nuclear issue.<sup>552</sup>

Lastly, the United States has employed the UN Security Council as an effective vehicle to support IAEA activities through the passage of Security Council *Resolution 1540 on Non-Proliferation of Weapons of Mass Destruction* on April 28, 2004. The resolution effectively prohibits any non-state actor from manufacturing, acquiring, possessing, developing, transporting, transferring or using a nuclear, chemical or biological weapon, and prohibits any state from aiding and abetting in these activities. Although the US-resolution calls for the establishment of Special Committee of the Security Council to monitor compliance with the resolution as opposed to investing this responsibility in the IAEA, it does contain assurances that nothing in the text shall be interpreted “so as to conflict with or alter... the responsibilities of the International Atomic Energy Agency.” Indeed, the US-resolution “*Calls upon* states... To renew and fulfil their commitment to multilateral cooperation, in particular within the framework of the International Atomic Energy Agency.”<sup>553</sup>

The United States, however, has been highly adverse, if not outright hostile, to the IAEA in other arenas, however, most notably in Iraq and other initiatives targeting nuclear proliferation across borders. Since the IAEA inspectors were forced to leave the country in March 2003 due to the pending US invasion of the country, the IAEA has not been able to return to Iraq. The now

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<sup>548</sup> “Statement on Libya by the Press Secretary,” Office of the Press Secretary at the White House (Washington). 26 February 2004. Date of Access: 12 May, 2004 [[www.whitehouse.gov/news/releases/2004/02/20040226-1.html](http://www.whitehouse.gov/news/releases/2004/02/20040226-1.html)].

<sup>549</sup> U.S. Security Strategy Induced Libya to Give up WMD Program. US Department of State (Washington D.C.) 2004. Date of Access: 10 May 2003 [[usembassy.state.gov/posts/in3/wwwwashnews1118.html](http://usembassy.state.gov/posts/in3/wwwwashnews1118.html)].

<sup>550</sup> “US Welcomes Iran Report,” BBC World News UK Edition (London) 26 November 2003. Date of Access 3 January 2004 [[news.bbc.co.uk/1/hi/world/middle\\_east/3241662](http://news.bbc.co.uk/1/hi/world/middle_east/3241662)].

<sup>551</sup> “IAEA text hits Iran nuke secrecy”. CNN International News (Atlanta) 9 March 2004. Date of Access 11 May 2004 [[www.cnn.com/2004/US/03/09/us.iran.nukes/index.html](http://www.cnn.com/2004/US/03/09/us.iran.nukes/index.html)].

<sup>552</sup> Joby Warwick, “U.S., Iran Are Urged to Talk Over Nuclear Plans,” Washington Post (Washington D.C.) 18 March 2004, A28. Date of Access: 13 May 2004 [[www.washingtonpost.com/wp-dyn/articles/A2936-2004Mar17.html](http://www.washingtonpost.com/wp-dyn/articles/A2936-2004Mar17.html)].

<sup>553</sup> UN Security Council Resolution 1540 (2004), US Department of State (Washington D.C.) 28 April 2004. Date of Access: 12 May 2004 [[www.state.gov/t/np/rls/other/31990.htm](http://www.state.gov/t/np/rls/other/31990.htm)].

defunct search for WMD, which the US used a pretext for the resort to war, is instead being conducted by the US-administered Iraq Survey Group with minimal coordination or contact with the IAEA. In the *Consolidated Progress Report to Security Council on IAEA Verification Activities in Iraq Pursuant to Resolution 687 and other Related Resolutions*, IAEA Director-General ElBaradei came close to describing this exclusion by the US as being a breach of UN Security Council resolutions calling for the IAEA to have unfettered access to Iraq. He also noted concern that several sites containing fissile and/or contaminated nuclear materials have been looted or at the least, their contents have been moved without IAEA approval.<sup>554</sup> This mirrors other reports by the IAEA that Iraq's nuclear power plant sites were poorly guarded, prone to looting, and posed a serious threat of nuclear proliferation.<sup>555</sup> To date, there has been no serious invitation by the US for the IAEA to return to Iraq.<sup>556</sup>

## 9. European Union: +1

The European Union (EU) has taken positive steps towards the resolutions agreed upon for weapons of mass destruction at the G8 Evian Summit. On June 16, 2003, the European Council at Thessaloniki agreed to implement an Action Plan to counter the proliferation of WMDs. Specifically, the aim of the plan was to take a united common position towards the, “reinforcement of multilateral agreements in the field of nonproliferation on WMD and their means of delivery...”<sup>557</sup> The EU extended its support of the IAEA with the Action Plan through a commitment to implement and ratify any future Additional Protocols created by the IAEA, and to support “an adequate increase in the IAEA safeguards budget to ensure the credibility of the IAEA’s verification systems on an urgent and exceptional basis...”<sup>558</sup> In a joint statement by European Council President Costas Simitis, European Commission President Romano Prodi and U.S. President George W. Bush, in Washington in June 2003, it was agreed that both parties would, “support an adequate increase in the IAEA safeguards budget to ensure the credibility of the IAEA’s verification system,” and that, “proliferation is a threat not only to our security, but also to the wider international system”.<sup>559</sup> The EU in fact went on to fulfill this promise with the implementation of IAEA Additional Protocols in April 2004. On April 30, 2004, in Vienna, IAEA Director General Mohamed El Baradei welcomed the entry into force today of the Additional Protocols for 15 States of the European Union — France, the United Kingdom and the 13 non-nuclear weapon States of the EU — and the European Atomic Energy Community

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<sup>554</sup> Mohammed ElBaradei, *Consolidated Progress Report to Security Council on IAEA Verification Activities in Iraq Pursuant to Resolution 687 and other Related Resolutions*, International Atomic Energy Agency (Vienna) 1 April 2004. Date of Access: 30 April 2004 [[www.iaea.org/NewsCenter/Focus/iaeaIraq/unscreport\\_110404.shtml](http://www.iaea.org/NewsCenter/Focus/iaeaIraq/unscreport_110404.shtml)].

<sup>555</sup> “IAEA: Iraq nuke plants apparently unguarded”. CNN International News (Atlanta) 16 April 2004. Date of Access: 11 May 2004 [[www.cnn.com/2004/WORLD/meast/04/16/iraq.nuclear.ap/index.html](http://www.cnn.com/2004/WORLD/meast/04/16/iraq.nuclear.ap/index.html)]

<sup>556</sup> IAEA, *UN Inspections in Iraq Worked*, International Atomic Energy Agency (Vienna) 2 February 2004. Date of Access: 12 May 2004 [[www.iaea.org/NewsCenter/News/2004/inspectionsiraq20040202.html](http://www.iaea.org/NewsCenter/News/2004/inspectionsiraq20040202.html)].

<sup>557</sup> 2541st Council Meeting of External Relations Provisional Version 14500/03 Presse 321 – Weapons of Mass Destruction Council Conclusion, Council of the European Union, (Brussels) November 17, 2003. Date of Access: January 2, 2004 [[ue.eu.int/newsroom/NewMain.asp?LANG=1, 21](http://ue.eu.int/newsroom/NewMain.asp?LANG=1, 21)].

<sup>558</sup> Weapons of Mass Destruction: Basic principles, Council conclusions and Action Plan, Council of the European Union, (Brussels) June 16, 2003. Date of Access: January 9, 2004 [[ue.eu.int](http://ue.eu.int)].

<sup>559</sup> EU-US SUMMIT - Washington, 25 June 2003 - Joint Statement on the Proliferation of Weapons of Mass Destruction, Council of the European Union (Brussels) June 25, 2003. Date of Access: January 2, 2004 [[ue.eu.int/newsroom/NewMain.asp?LANG=1](http://ue.eu.int/newsroom/NewMain.asp?LANG=1)].

(EURATOM).<sup>560</sup> The Protocols, which provide the Agency with better tools to verify compliance with nuclear non-proliferation commitments, entered into force when the European Commission informed the Agency that EURATOM's own requirements for entry into force had been met. Dr. El Baradei viewed the simultaneous entry into force of Additional Protocols for the 15 EU States as, "a very positive development and a milestone in our efforts to strengthen the verification regime."<sup>561</sup>

The European Union has also played a decisive role in bilateral talks with Iran over its nuclear program. On August 31, 2003, Tehran invited EU High Representative for the Common Foreign and Security Policy (CFSP) Javier Solana to discuss a bilateral cooperation to, "prevent the politicization of Iran's nuclear programs".<sup>562</sup> In a meeting with the Head of Iran's Atomic Energy Organization (IAEO) Gholam-Reza Aqazadeh, Solana remarked that, "Tehran's cooperation with IAEA will remove ambiguities and hasten to assuage the prevailing political atmosphere".<sup>563</sup> In October 2003, foreign ministers from France, Britain and Germany, representing the EU, were invited to Tehran to provide Iran with their viewpoints on the Additional Protocols of Non- Proliferation Treaty (NPT) designed by the IAEA. There, the ministers were able to emphasize the importance of the protocols and aid the IAEA in its efforts in Iran. British Foreign Minister Jack Straw was quoted as saying that they had managed to achieve "an agreed statement from the government in Iran and three foreign ministers who were present about the co-operation by Iran with the IAEA".<sup>564</sup>

The EU's commitment to non-proliferation in Iran continued in 2004 with a visit to Iran by Dr. Solana on January 12-13, 2004, at the European Council's request in order to discuss the modalities for taking forward the EU's dialogue with Iran in all areas. Ministers welcomed steps taken by Iran and particularly the signature and implementation of the Additional Protocol to the IAEA Safeguards Agreement and underlined the need for Iran fully to comply with the IAEA Board of Governors' November resolution. The European Council stated in its February Conclusions that the EU "will continue its discussions [of Iran] in the light of IAEA Director-General El-Baradei's upcoming report and of the meeting of the IAEA Board of Governors."<sup>565</sup>

The EU has also demonstrated an interest in stemming the tensions on the Korean Peninsula by urging North Korea in June 2003, "to visibly, verifiably and irreversibly dismantle that program and to come into full compliance with international non-proliferation obligations," and

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<sup>560</sup> IAEA to implement Safeguards Additional Protocols in the EU, International Atomic Energy Agency (Vienna) April 30, 2004. Date of Access: May 12, 2004 [[www.iaea.org/NewsCenter/PressReleases/2004/prn200403.html](http://www.iaea.org/NewsCenter/PressReleases/2004/prn200403.html)]

<sup>561</sup> Ibid.

<sup>562</sup> "Iran invites EU to cooperation on nuclear programs: Aqazadeh," Islamic Republic News Agency (Tehran) August 31, 2003. Date of Access: January 2, 2004 [[www.globalsecurity.org/wmd/library/news/iran/2003/iran-030831-irna02.htm](http://www.globalsecurity.org/wmd/library/news/iran/2003/iran-030831-irna02.htm)].

<sup>563</sup> In Focus: IAEA and Iran, International Atomic Energy Agency (Vienna), 16 October 2003. Date of Access 5 January 2004 [[www.iaea.org/NewsCenter/Focus/iaeaIran](http://www.iaea.org/NewsCenter/Focus/iaeaIran)].

<sup>564</sup> Iran visit represented the 'Best of European Cooperation' – Straw – Edited Transcript of An Interview Given by the Foreign Secretary, Jack Straw for BBC Radio 4, British Foreign and Commonwealth Office, (London) October 23, 2003. Date of Access: January 9, 2004. [[www.fco.gov.uk](http://www.fco.gov.uk)].

<sup>565</sup> The EU's relations with Iran: News from the General Affairs & External Relations Council, Council of the European Union (Brussels), January 26 & February 23, 2004. Date of Access: May 13, 2004. [[europa.eu.int/comm/external\\_relations/iran/intro/gac.htm#](http://europa.eu.int/comm/external_relations/iran/intro/gac.htm#)]



supporting the six-nation talks to which the EU is not a party.<sup>566</sup> Dr. Solana remarked in a statement at the time that, “the European Union remains willing to contribute to an overall resolution of the situation.”<sup>567</sup> A statement by the Deputy Foreign Minister of Italy, Roberto Antonione, on behalf of the EU at the 47th Annual IAEA Conference in Vienna in September 2003, commended “the Agency [IAEA] for its efforts since last September, and supports efforts by the Director General to seek dialogue with the DPRK in order to find a solution.”<sup>568</sup> Mr. Antonione also urged North Korea to unconditionally allow the, “full implementation of all the required safeguards measures at all times including the return of IAEA inspectors.”

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<sup>566</sup> EU-US SUMMIT - Washington, 25 June 200 EU-US SUMMIT - Washington, 25 June 2003 - Joint Statement on the Proliferation of Weapons of Mass Destruction, Council of the European Union (Brussels) June 25, 2003. Date of Access: January 2, 2004 [[ue.eu.int/newsroom/NewMain.asp?LANG=1](http://ue.eu.int/newsroom/NewMain.asp?LANG=1)].

<sup>567</sup> HR Javier Solana welcomes North Korea's agreement to participate in multilateral talks, Council of the European Union, (Brussels) August 4, 2003. Date of Access: January 2, 2004. [[ue.eu.int/newsroom/NewMain.asp?LANG=1](http://ue.eu.int/newsroom/NewMain.asp?LANG=1)].

<sup>568</sup> Statement by the Deputy Foreign Minister of Italy Roberto Antonione on behalf of the EU at the 47th Annual IAEA Conference in Vienna, International Atomic Energy Agency (Vienna), September 15-19, 2003. Date of Access: January 9, 2004 [[www.iaea.org/About/Policy/GC/GC47/Statements/eu.pdf](http://www.iaea.org/About/Policy/GC/GC47/Statements/eu.pdf)].

## 2003 Evian Final Compliance Report Energy

### Commitment

2003 — 75: “We commit to participating in the International Conference on Renewable Energies, spring 2004 in Bonn”.

### Background

The International Conference for Renewable Energies will take place from 1-4 June 2004 in Bonn, Germany. The Conference will attempt to address several issues relating to the use and development of renewable energies, such as wind, solar, water, and biomass. It will further concentrate on the following three themes: (i) the “formation of enabling political framework conditions allowing the market development of renewable energies”; (ii) “increasing private and public financing in order to secure reliable demand for renewable energies”; and, (iii) “human and institutional capacity building, and co-ordination and intensification of research and development”.<sup>569</sup>

The G8 recognizes the importance of developing renewable energy sources and the long-term economic, social, and environmental advantages that will result. Each G8 member has shown a commitment to the research and development of renewables since the Evian Summit and all seem poised to help make Bonn 2004 a success.

### Assessment

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada		0	
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		z	+1
United Kingdom		0	
United States			+1
Overall			+0.75

### Individual Country Compliance Breakdown:

#### 1. Canada: 0

Canada’s Department of Natural Resources has persisted on its mandate to account for sustainable development in their energy operations. Canada’s first formal sustainable development strategy, created in early 2004, “focuses on monitoring a suite of economic, environmental and social indicators that taken together highlight progress...and serve as

<sup>569</sup>Renewables 2004, [www.renewables2004.de/en/2004/default.asp](http://www.renewables2004.de/en/2004/default.asp)

guideposts to the issues that will likely require attention from decision makers as energy policy is developed.”<sup>570</sup>

On May 12, 2004, the Honourable Stephen Owen, Minister of Public Works and Government Services Canada, the Honourable David Anderson, Minister of the Environment and the Honourable John Hamm, Premier of Nova Scotia, announced up to CDN\$400 million in funding for the cleanup of the Sydney Tar Ponds and Coke Ovens. According to the Government’s press release, “PCB-contaminated sediments in the Tar Ponds and the contents of the tar cell on the Coke Ovens will be removed and destroyed using a safe, proven technology such as high temperature incineration.”<sup>571</sup>

Canada has also examined and charged several corporations engaged in illegal environmental contamination acts. On March 30, 2004, Abitibi-Consolidated Inc., the operator of a paper mill in Grand Falls Windsor, Newfoundland and Labrador “pleaded guilty to Government of Canada environmental charges.”<sup>572</sup> A provincial court judge ordered the company to pay a fine of \$10,000 and to contribute \$100,000 to the Government of Canada’s Environmental Damages Fund.”<sup>573</sup> A similar charge was announced on May 6, 2004, where Emera Fuels Inc. “pled guilty in the Provincial Court of Nova Scotia to depositing diesel fuel, a deleterious substance, into L’Archeveque Harbour, contrary to subsection 36(3) of the federal Fisheries Act.”<sup>574</sup>

Canada has also noted that it will host the Hydrogen and Fuel Cells 2004 Conference and Trade Show from September 25-28, 2004. The event will highlight the “latest developments in hydrogen and fuel cell research and product developments.”<sup>575</sup>

On April 5, 2004, the Honourable R. John Efford, current Minister of Natural Resources Canada, and Spencer Abraham, U.S. Secretary of Energy, released the Final Report of the Canada-U.S. Power System Outage Task Force—the formal examination of the electricity system before and during the blackout of August 14, 2003, in parts of Canada and the United States.<sup>576</sup> The report was praised for its attempts in “strengthening the institutional framework of the North American Electric Reliability Council (NERC)” and the “implementation of mandatory and enforceable electricity reliability standards in both the United States and Canada, with penalties for noncompliance.”<sup>577</sup>

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<sup>570</sup> “Schema of Energy Indicators for Sustainable Development,” Natural Resources Canada, Energy Policy Branch Website, [www2.nrcan.gc.ca/es/es/sdi/English/index.cfm](http://www2.nrcan.gc.ca/es/es/sdi/English/index.cfm). Date Accessed: May 15, 2004

<sup>571</sup> “Canada and Nova Scotia commit \$400 Million for Tar Ponds Cleanup.” Environment Canada, Online News Releases, [www.ec.gc.ca/press/2004/040512\\_n\\_e.htm](http://www.ec.gc.ca/press/2004/040512_n_e.htm). Date Accessed: May 15, 2004

<sup>572</sup> “Abitibi-Consolidated Inc. Pleads Guilty to Environmental Charges: Judge Orders Mill Upgrades.” Environment Canada, Online News Releases, [www.ec.gc.ca/press/2004/040330\\_n\\_e.htm](http://www.ec.gc.ca/press/2004/040330_n_e.htm). Date Accessed: May 15, 2004

<sup>573</sup> Ibid.

<sup>574</sup> “Emera Fuels Pleads Guilty to Environmental Charge.” Environment Canada, Online News Releases, [www.ec.gc.ca/press/2004/040506-2\\_n\\_e.htm](http://www.ec.gc.ca/press/2004/040506-2_n_e.htm). Date Accessed: May 15, 2004

<sup>575</sup> “Hydrogen and Fuel Cells 2004 Conference and Trade Show.” Official Conference Website & Welcome Page, [www.hydrogenfuelcells2004.com/en/welcome.htm](http://www.hydrogenfuelcells2004.com/en/welcome.htm), Date Accessed: 15 May 2004.

<sup>576</sup> “Canada-U.S. Task Force Presents Final Report on Blackout of August 2003.” Natural Resources Canada, Online News Releases, [www.nrcan-rncan.gc.ca/media/newsreleases/2004/200414\\_e.htm](http://www.nrcan-rncan.gc.ca/media/newsreleases/2004/200414_e.htm). Date Accessed: May 15, 2004

<sup>577</sup> Ibid.

Despite these advancements, Canada has yet to formally announce their participation in the 2004 International Conference on Renewable Energies in Bonn, Germany. The Conference was announced by German Chancellor Gerhard Schröder at the World Summit on Sustainable Development in Johannesburg in September 2002, and is designed “to give further impetus to the dynamic process...for the global development of renewable energies.”<sup>578</sup>

## **2. France: +1**

France participated in the European Conference for Renewable Energy: ‘Intelligent Policy Options’ in Berlin from January 19-21, 2004 — a regional preparatory meeting for renewables 2004.<sup>579</sup> Several French case studies were referenced in the conference literature, including: a biogas powered vehicles project in Lille; a biogas transport sector project in Chambéry; a biogas generation by landfill site in Vienne; a biogas heat and power generation project in Besançon; a biomass wood heating plant in Autun; and, solar energy installation in Echirolles.<sup>580</sup> The conclusions of the Berlin conference saw France and the other participants urge the EU to set ambitious renewable energy targets for 2020; commit to accelerate short term initiatives; pledge to accelerate the growth of markets for renewable energy heating and cooling; commit to promote the success stories of renewable energy use to all sectors of society; expand R&D; and, help foster the use of renewable energies in all developing countries.<sup>581</sup>

France has confirmed the attendance of 59 total delegates to the renewables 2004 conference in Bonn and as such, is awarded a score in the positive range for the fulfillment of this summit commitment.<sup>582</sup>

## **3. Germany: 1**

In January 2004, Germany hosted the European Conference for Renewable Energy: ‘Intelligent Policy Options’ in Berlin from January 19-21, 2004, a regional preparatory meeting for renewables 2004.<sup>583</sup> The conclusions of the Berlin conference saw Germany and the other participants urge the EU to set ambitious renewable energy targets for 2020; commit to accelerate short term initiatives; pledge to accelerate the growth of markets for renewable energy heating and cooling; commit to promote the success stories of renewable energy use to all sectors

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<sup>578</sup> “International Conference for Renewable Energies.” Bonn 2004 First Announcement, [www.bmu.de/files/renewables2004\\_announcement.pdf](http://www.bmu.de/files/renewables2004_announcement.pdf), Date Accessed: 15 May 2004.

<sup>579</sup> European Conference for Renewable Energy: ‘Intelligent Policy Options’, 19-21 January 2004, Berlin, May 2004 <[www.managenergy.net/conference/re0104.html](http://www.managenergy.net/conference/re0104.html)>.

<sup>580</sup> “Case Studies,” European Conference for Renewable Energy: ‘Intelligent Policy Options’, 19-21 January 2004, Berlin, May 2004 <[www.managenergy.net/submenu/Scs.htm](http://www.managenergy.net/submenu/Scs.htm)>.

<sup>581</sup> “Conference Conclusions and Recommendations to the International Conference for Renewable Energies in Bonn, renewables 2004,” European Conference for Renewable Energy: ‘Intelligent Policy Options’, 19-21 January 2004, Berlin, May 2004 <[www.renewables2004.de/pdf/Berlin\\_conclusions.pdf](http://www.renewables2004.de/pdf/Berlin_conclusions.pdf)>.

<sup>582</sup> “List of delegations coming to renewables 2004,” 28 May 2004, Bonn, <[www.renewables2004.de/pdf/Delegations\\_040528.pdf](http://www.renewables2004.de/pdf/Delegations_040528.pdf)>.

<sup>583</sup> European Conference for Renewable Energy: ‘Intelligent Policy Options’, 19-21 January 2004, Berlin, May 2004 <[www.managenergy.net/conference/re0104.html](http://www.managenergy.net/conference/re0104.html)>.

of society; expand R&D; and, help foster the use of renewable energies in all developing countries.<sup>584</sup>

Chancellor Gerhard Schroder invited the international community (including governmental and non-governmental representatives) to attend “Renewables 2004” in a letter in March 2004:

This conference offers the opportunity of expressing the resolute political will of the international community of states to develop renewable energies. It also presents the opportunity of setting in motion a new dynamism in the worldwide development of renewable energies through concrete measures and obligations. We should take advantage of this opportunity.<sup>585</sup>

Germany is the host of the 2004 International Conference on Renewable Energies and has thus confirmed its attendance. Germany has confirmed the attendance of 127 delegates.<sup>586</sup>

#### 4. Italy: +1

While Italy is one of the least energy intensive countries in the world,<sup>587</sup> the energy sector has been undergoing considerable restructuring in recent years. Specific EU Directives on electricity and natural gas “have established common rules for creation of internal markets and required privatization of Italy’s dominant energy monopolies.”<sup>588</sup>

On August 5, 2003, the United States Secretary of Energy, Spencer Abraham, announced Italy’s intention to join the International Partnership for the Hydrogen Economy [IPHE]. The purpose of the IPHE is “to serve as a mechanism to organize and implement effective, efficient, and focused international research, development, demonstration and commercial utilization activities related to hydrogen and fuel cell technologies.”<sup>589</sup> Italy continues to be bound by a number of international science and technology agreements, including the Implementing Agreements of the International Energy Agency [IEA], which have furthered its role as a leader in research and development activities as it pertains to sustainable energy systems.

In addition to hosting the 9th United Nations Framework Convention on Climate Change (UNFCCC, COP-9) in Milan from December 1-12, 2003, Italy hosted the 2nd World Conference and Technology Exhibition on Biomass for Energy, Industry and Climate Protection on May 10-

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<sup>584</sup> “Conference Conclusions and Recommendations to the International Conference for Renewable Energies in Bonn, renewables 2004,” European Conference for Renewable Energy: ‘Intelligent Policy Options’, 19-21 January 2004, Berlin, May 2004 <[www.renewables2004.de/pdf/Berlin\\_conclusions.pdf](http://www.renewables2004.de/pdf/Berlin_conclusions.pdf)>.

<sup>585</sup> The Press and Information Office of the Federal Government. “Chancellor Schroder invites the world to “renewables 2004” Wed., 03/17/2004. [[www.bundesregierung.de](http://www.bundesregierung.de)]

<sup>586</sup> “List of delegations coming to renewables 2004,” 28 May 2004, Bonn <[www.renewables2004.de/pdf/Delegations\\_040528.pdf](http://www.renewables2004.de/pdf/Delegations_040528.pdf)>.

<sup>587</sup> Italy: National Energy Policy/Overview, “Energy Research and Development in Italy,” 10 January 2000 [energytrends.pnl.gov/italy/it004.htm](http://energytrends.pnl.gov/italy/it004.htm).

<sup>588</sup> “Energy Information Administration (EIA): Country Analysis Briefs.” Italy Analysis Brief, [www.eia.doe.gov/emeu/cabs/italy.html](http://www.eia.doe.gov/emeu/cabs/italy.html), Date Accessed: 15 May 2004.

<sup>589</sup> “International Partnership for the Hydrogen Economy (IPHE).” Ministerial Meeting, [www.usea.org/iphe.htm](http://www.usea.org/iphe.htm), Date Accessed: 15 May 2004.

14, 2004 in Rome, Italy and the International Conference & Exhibition on Renewable Energy, Distributed Generation and Green Building from May 20-22, 2004 in Vicenza, Italy.

Corrado Clini, the Director General of the Ministry for the Environment and Territory has confirmed participation in the planning of the 2004 International Conference on Renewable Energies in Bonn, Germany as a member of the International Steering Committee (ISC).<sup>590</sup>

Italy has confirmed the attendance of 25 delegates to the renewables 2004 conference in Bonn.<sup>591</sup>

## 5. Japan: +1

From March 25-26, 2004, Japan attended the Regional Conference for Asia and the Pacific on Renewable Energies in Bangkok, Thailand.<sup>592</sup> The conference was an integral part of preparations for the International Conference for Renewable Energies in Bonn, discussing expectations and potential outcomes. The conference produced a statement that underlined that renewable energy was a significant means to sustainable development of the countries in the region, particularly in terms of poverty alleviation, environmental protection, energy security, technological and industrial development, and the sustainable use of natural resources.<sup>593</sup> The statement also saw the participants agree to increase regional cooperation in the development of renewable energy; strong government leadership to foster markets for renewable energy; take account of the needs of LDCs in developing mechanisms to support the development of renewable energy; and, promote renewable energy awareness and education. The statement expressed strong support to the International Conference for Renewable Energies, to be held in Bonn.

The Japanese Ministry of Foreign Affairs updated its Strategy and Approaches of Japan's Energy Diplomacy document on April 2004. The Ministry continues to promote international cooperation in the use of renewable energy, particularly to promote economic growth, energy security and environmental protection.<sup>594</sup> Japan is also committed to promoting the diffusion of renewable energy to developing countries.

On April 12, 2004, the Japanese Ministry of Economy, Trade and Industry revealed its "Asian Energy Partnership". The partnership commits to environment and energy efficiency policy making and regulation through policy dialogues and peer review.<sup>595</sup>

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<sup>590</sup> Renewables 2004, "ISC Members," [www.renewables2004.de/pdf/Members\\_ISC.pdf](http://www.renewables2004.de/pdf/Members_ISC.pdf)

<sup>591</sup> "List of delegations coming to renewables 2004," 28 May 2004, Bonn  
<[www.renewables2004.de/pdf/Delegations\\_040528.pdf](http://www.renewables2004.de/pdf/Delegations_040528.pdf)>.

<sup>592</sup> "Project Proposal," The Regional Conference for Asia and the Pacific on Renewable Energies 2004, Ministry of Energy, Thailand, May 2004 <[www.renewables2004.de/pdf/conference\\_bangkok.pdf](http://www.renewables2004.de/pdf/conference_bangkok.pdf)>.

<sup>593</sup> Bangkok Statement on Renewable Energy, 26 March 2004, Bangkok, Thailand, May 2004  
<[www.renewables2004.de/pdf/Bangkok\\_Statement.pdf](http://www.renewables2004.de/pdf/Bangkok_Statement.pdf)>.

<sup>594</sup> Japanese Ministry of Foreign Affairs, Strategy and Approaches of Japan's Energy Diplomacy, April 2004, May 2004 <[www.mofa.go.jp/policy/energy/diplomacy.html](http://www.mofa.go.jp/policy/energy/diplomacy.html)>.

<sup>595</sup> METI Reveals "Asian Energy Partnership", 12 April 2004, Tokyo, May 2004  
<[www.enecho.meti.go.jp/english/new/040428.htm](http://www.enecho.meti.go.jp/english/new/040428.htm)>.

Japan has confirmed the attendance of 24 delegates to the renewables 2004 conference in Bonn.<sup>596</sup>

## 6. Russia: +1

After being sworn in for his second term on May 7, 2004, President Putin made a brief speech<sup>597</sup> that was dominated by domestic concerns and had only a few passing remarks on international affairs, nothing at all on energy policy. Putin's comments on international affairs singled out terrorism as an issue and generally remarked on international cooperation and efforts to increase Russian prominence in the world.

Russia has confirmed the attendance of two delegates to the renewables 2004 conference in Bonn.<sup>598</sup>

## 7. United Kingdom: 0

The United Kingdom has indeed lived up to many of its promises in late 2003- 2004, however, it has failed to add any new real commitments (of monetary value) to any of its old promises. Their Climate Change and Energy Program is still in full swing, focusing on developing countries around the world and trying to get them to work with more renewable resources. However, the funding formula has not changed and still too little funds are available. In 2003/04, £4.6 million were committed and released, yet in FY 2004/05 even less have been committed, totaling £3.9 million.<sup>599</sup> This small amount of money has been allocated to Mexico, China, South Africa, Russia, and many others, furthering the need for greater funds to be made available.

One very promising revelation though is that the USA has signed up to the UK's Renewable Energy and Energy Efficiency Partnership (REEEP) and the UK has joined the USA's Clean Energy Initiative<sup>600</sup>; in essence, a swapping of environmental understandings. The USA's joining of the REEEP will strengthen any renewable energy plans brought forth by the UK. Also promising is a new united-initiative by many levels of the British government, which states that "Ministers from six Government Departments joined forces to launch the consultation to develop new UK sustainable development strategy. The three- month consultation, run by the UK Government, together with the Scottish Executive, the Welsh Assembly Government and Northern Ireland, will include local and regional events and an online consultation."<sup>601</sup> Although

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<sup>596</sup> "List of delegations coming to renewables 2004," 28 May 2004, Bonn <[www.renewables2004.de/pdf/Delegations\\_040528.pdf](http://www.renewables2004.de/pdf/Delegations_040528.pdf)>.

<sup>597</sup> Embassy of the Russian Federation to South Africa "Speech by Russian President Vladimir Putin at the Presidential Inauguration Ceremony" 7 May 2004, [www.russianembassy.org.za/statements/text/putineng070504.html](http://www.russianembassy.org.za/statements/text/putineng070504.html)

<sup>598</sup> "List of delegations coming to renewables 2004," 28 May 2004, Bonn <[www.renewables2004.de/pdf/Delegations\\_040528.pdf](http://www.renewables2004.de/pdf/Delegations_040528.pdf)>.

<sup>599</sup> "Climate Change and Energy Program," Global Opportunities Fund, May 2004 <[www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1070989563933](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1070989563933)>.

<sup>600</sup> Sustainable Development: the UK Government's Approach, May 2004 <[www.sustainable-development.gov.uk/news.htm#0421b](http://www.sustainable-development.gov.uk/news.htm#0421b)>.

<sup>601</sup> [www.fco.gov.uk](http://www.fco.gov.uk)

this seems promising, it is not a step forward in terms of cash-dollars or other measurable means of promoting sustainable development.

## **8. United States: +1**

The Department of Energy's proposed budget for FY 2005<sup>602</sup> focuses on national security concerns (i.e. preventing nuclear proliferation) and increasing energy independence. The Department's proposed \$24.3 billion<sup>603</sup> budget allocates \$8.6 billion<sup>604</sup> (35% of budget) to environmental safeguards while \$3.4 billion (13%) is assigned to research. Most of the research is focused on hydrogen fuel cells and developing coal technologies. The focus on coal is due to the fact that the US has very extensive coal reserves that could provide two hundred years worth of electricity generation.

The US has confirmed the attendance of 7 delegates to the renewables 2004 conference in Bonn.<sup>605</sup>

## **9. European Union: 0**

Renewables2004 has not yet taken place, but the European Union has made a commitment to attend. The EU has already participated in the European Conference for Renewable Energy 'Intelligent Policy Options,' held in Berlin from 19-21 January 2004. This conference, which was organized by the European Commission and attended by 650 participants from 45 countries, was designed to serve as a precursor to the Renewables2004 conference. The second session of the conference, Implementation of Renewable Energy Sources Policies in Europe, concluded that although European companies and research institutions have taken the lead in the development of renewable energy technologies, there are still administrative barriers such as complex authorization barriers, at the national level that prevent the full use and integration of these technologies.

The European Union has produced several key documents concerning energy management, the adoption of renewable energy sources, and sustainable development which have guided policy, including 1997's White Paper for a Community Strategy and Action Plan, and the Renewable Energy Campaign for Take-Off, which will evolve into the Campaign for Sustainable Energy in mid-2004 and will run until 2007. Documents issued over the past year have focused on addressing the issue of coordination, especially with the entrance of ten new members to the union.

The Spring Report 2004 concerning the Lisbon Strategy emphasized that in order to achieve the goals laid out in the strategy action must be taken at both the European level and at the national

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<sup>602</sup> US Department of Energy "Secretary Abraham Unveils DOE '05 Budget" 2 February 2004, energy.gov

<sup>603</sup> Ibid

<sup>604</sup> Ibid

<sup>605</sup> "List of delegations coming to renewables 2004," 28 May 2004, Bonn  
<[www.renewables2004.de/pdf/Delegations\\_040528.pdf](http://www.renewables2004.de/pdf/Delegations_040528.pdf)>.



levels of its various member states. Delays have been identified in several strategic domains including knowledge and networks.<sup>606</sup>

The plan has therefore made improved investment to knowledge and networks one of its priorities. President Prodi in a speech at the Conference of Presidents of the European Parliament stressed that “The Program covers transactional projects that can be set moving at very short notice in the transport, energy, communication and research fields.”<sup>607</sup>

Several specific initiatives were listed in President Prodi’s presentation of the Spring Report. First, a commitment was made to developing a framework for a Single Market to allow for networks between neighbouring countries. In order for this goal to succeed, new legislation must be passed. Prodi mentioned that a package on competitiveness would be prepared for consideration in May, and in the months to come the success, not only of the adoption but also of the implementation, of this legislation should be monitored. Second, Prodi declared that “innovative sustainable and energy-saving technologies” Ibid would be supported. This is backed by the gradual increase suggested in the Budget of the Enlarged Union 2007-2013 of research funding from its current 0.04% to 1%. The budget goes on to state that:

European funding is also required to ensure that Europe’s energy supply is delivered across national frontiers and to develop renewable energy and clean fuel, with costs estimated at some 100 billion Euros. Community initiatives are needed to raise the impact and appeal of renewable energy and energy efficiency and to meet agreed targets like providing 22% of electricity from renewable sources by 2010.<sup>608</sup>

Finally, Prodi also signaled that advance preparations of the Galileo satellite, to assist in the monitoring and management of energy infrastructure, would also help the EU reach its energy goals.<sup>609</sup>

The European Union, even with its preparatory work, must be given a ‘work in progress’ grade for its compliance with this goal until after its participation in Renewables2004 has been recorded.

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<sup>606</sup> Commission of the European Communities. “Spring Report 2004/Lisbon Strategy” Brussels, 20.2.2004. COM (2004) 29 final/2. [europa.eu.int/comm/commission/ers/prodi/index\_en.htm]

<sup>607</sup> Romano Prodi, President of the European Commission. “2004 Spring Report, Conference of Presidents of the European Parliament” Brussels, 21 January 2004. [europa.eu.int/comm/commissioners/prodi/index\_en.htm]

<sup>608</sup> Commission of the European Communities. “Communication From The Commission To The Council And The European Parliament. Building our common Future: Policy challenges and Budgetary means of the Enlarged Union 2007-2013” Brussels, 10.2.2004. [europa.eu.int/comm/index\_en.htm]

<sup>609</sup> Romano Prodi, President of the European Commission. “2004 Spring Report, Conference of Presidents of the European Parliament” Brussels, 21 January 2004. [europa.eu.int/comm/commissioners/prodi/index\_en.htm]